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SAVINGS & INVESTMENT P6
The price of your house in the 1990s

COLLECTING
Rock 'n' roll nostalgia P11

FEATURES
INTERFERON AND CANCER P12
The promise that wasn't
P13 UK CAR SALES
Indigestion and the August feast

RACING P11
Why it's tougher at the top

ARTS P10
Viennese waltz of Edinburgh's 1983 festival

NEWS SUMMARY

GENERAL

Turkish election hurdles increase

Turkey's military rulers have cast doubt on the country's return to democracy by banning election candidates from the two main political parties existing before the 1980 coup.

The Social Democrat Party, Sodep, had all eight nominees vetoed. Parties must have 30 approved by military and Sodep is two short. It will submit more names, but the process can take 20 days and the deadline is Thursday. The election is set for November.

Among those vetoed was a former aide of Kemal Attaturk, founder of modern Turkey. Back Page

Embassy danger

A man with a bomb in his car drove into the grounds of the British Embassy in Moscow. Soviet guards beat him and took him away; there was no explosion.

Guard shot dead

A security guard collecting takings from Belsize Park tube station in London was shot dead. The gunmen stole £3,965.

Bomb at mine

The Scottish National Liberation Army said it sent a letter bomb to the manager of Scotland's Cardowan coal mine, in protest at plans to close it. The bomb did not go off.

Blind man sees

A playful blow on the head from his wife restored the sight of Kevin Willis of Newark, Notts. He had been blind for a year.

Looters held

Six people died and over 100 looters were arrested in Houston after hurricane Alicia hit, causing damage estimated at $1bn (£660m).

Inquiry call

A man was discharged from Rampton mental hospital after 11 years, when allegations of indecent assault, drowning a cat and biting off chickens' heads were found to be untrue. Relatives demanded an inquiry.

Mauritian poll

Mauritians vote for a new Parliament tomorrow. The left-wing coalition government collapsed in June after less than a year in office.

First tax law

Andorra introduced its first taxes, on banks, insurance companies and hotels. All will be less than 1 per cent.

Arid Aral

The Aral Sea in central Asia, the world's third biggest lake, is drying up as towns use more of its water, said Moscow News. It has halved in size and salt has killed all the fish.

Dies irae

Kampuchea's rulers named May 20 as a national day of hatred against the former Khymer Rouge regime.

Briefly . . .

John Evans of Swansea turned 106.

Airliner fire closed Rome airport for an hour.

Colin Baker is to be the sixth Dr Who, the BBC said.

BUSINESS

St Piran move by Takeover Panel

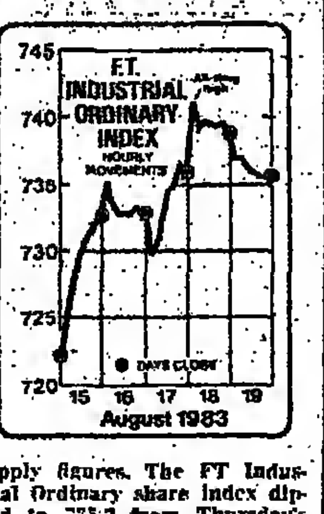
● ST PIRAN, mining and property group controlled by Mr Jim Raper, has been instructed by the Takeover Panel to make a full bid for Westminster Property Group at 33p a share.

The decision follows investigation of an agreement in May between St Piran and Mr David Kirch, a Jersey-based property developer, in which Mr Kirch mortgaged to St Piran his 15 per cent stake in Westminster. St Piran has built up a 29.99 per cent stake in Westminster since February.

● STERLING fell 55 points to $1.518 but rose to DM 4.035 (DM 4.015), FFr 12.12 (FFr 12.0625), SwFr 3.275 (SwFr 3.2675) and Y370.5 (Y370.25). Its trade-weighted index rose to a two-month high of 85.7 (85.3). Page 17

● DOLLAR rose to DM 2.687 (DM 2.633), FFr 7.8875 (FFr 7.92), SwFr 2.156 (SwFr 2.1425) and Y243.8 (Y242.9). Its trade-weighted index was 128.2 (127.6). Page 17

● EQUITIES edged down from record levels amid caution pending this week's U.S. money



supply figures. The FT Industrial Ordinary share index dipped to 735.7 from Thursday's record 738.9. Page 20

● GILTS were also cautious with losses in both longs and shorts rarely exceeding ½. Page 23

● WALL STREET was down 2.54 at 1,189.94 at 1 pm. Page 16

● GOLD fell $4.5 in London to $417.875. In New York, the Comex August settlement was $418.2 ($420.6). Page 17

● NISSAN President Takashi Ishihara said any decision over the proposed car plant in Britain would not be influenced by union opposition in Japan. Back Page

● EUROPEAN COMMISSION is proposing that the EEC spend £226m a year to help modernise the coal industry and to reduce stocks. Page 2

● SAXON OIL, UK independent oil company, sold a half share in its North Sea licence area to the Kuwaiti-owned Sante Fe Minerals (UK). Back Page

● MOUNT CHARLOTTE Investments plans to buy two London hotels from Grand Metropolitan for a total of £21.5m. Details and results, Page 14

● MINING SUPPLIES lost £1.78m for the year ended April 30 against losses of £715,000. Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
BL	65	+ 5	Applied Computer	462	− 23
Bejam Grp	139	+ 5	BICC	225	− 7
Boots	173	+ 9	Ellenroad Mill	33	− 10
Electro-Protective	176	+ 11	Grindlays Hldgs	150	− 15
Keep Trust	13½	+ 1½	ICI	536	− 8
Lake & Elliot	29	+ 5	Midland Bank New	80pm	− 8
Lister	37	+ 5	Mining Supplies	35	− 17
London Brick	86	+ 4	Parkfield Foundries	45	− 10
Mitchell Cotts	40	+ 3	Rockware	24	− 6
Mount Charlotte Invs	45½	+ 2½	Royal Insurance	555	− 7
SCUSA Inc	120	+ 16	Waring & Gillow	95	− 7
Steetley	229	+ 5	Wholesale Fittings	280	− 18
Tecalemit	33	+ 6½	BP	442	− 6
Westminster Prop.	20	+ 3	Carless Capel	225	− 10
Atlantic Res	465	+ 10	Eglinton Oil & Gas	240	− 25
Cons. Gold Fields	635	+ 25	De Beers Dfd	685	− 12
Samantha Expln	67	+ 5	RTZ	657	− 6
Sungei Besi	350	+ 30			

Tebbit wage proposal thaws union hostility

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR NORMAN TEBBIT, Employment Secretary, yesterday gave the first concrete sign of his willingness to usher in a new period of national-level bargaining with union leaders when he proposed a joint examination of the issues involved in planned legislation on the payment of wages.

This accord between the once-bitter enemies came on the second consecutive day of talks, which yesterday were concerned with the Government's proposals to reform the Truck Acts, the 19th-century legislation which permits workers to demand wages in cash.

However — as on Thursday when the two sides met on the allowance to be paid to people on the Youth Training Scheme —attention was on next month's TUC Congress, and its decision which may, or may not, allow union leaders to continue the dialogue on more substantial issues, such as future legislation.

Mr Len Murray, the TUC general secretary, was once again concerned to emphasise the serious nature and positive results of the talks, commenting that "the outcome was constructive and quite fruitful." He repeated, however, that the TUC was "still testing the ice" and that "it hasn't broken yet."

Mr Bill Keys, the left-wing general secretary of the print union Sogat '82 and chairman of the TUC's Employment Policy and Organisation Committee, once again underscored Mr Murray's remarks, adding that Mr Tebbit appeared ready to examine carefully the consequences of renouncing the International Labour Convention 95 on wages protection, which the Government believes it must do to assist the movement away from cash payment of wages.

The Government must decide whether to renounce the convention by September 23, after which it intends a lengthy period of consultation on its central aim of cashless wages.

The TUC agrees with the aim, but has dissented from the use of compulsion in achieving it. The ILO convention safeguards workers from such compulsion.

Mr Tebbit told the TUC that he shared with union leaders the desire to protect workers from exploitation. He referred to a recent case of a garage forecourt attendant who received a few pence as his weekly wage, because of a series of deductions from his nominal salary.

He is to write to the TUC with proposals soon, then consider further union representations. Both sides acknowledge that other interests, principally employers and the banks, must be drawn into the discussions.

A Central Policy Review Staff report has shown that many more UK workers insist on cash payment than in other West European countries. Nearly one in two British workers receive cash every week, compared with one in four in France, one in six in the Netherlands and even smaller proportions in West Germany and the U.S. The report also estimated that £30 per worker per year could be saved by a move to cashless payment.

Other labour news, Page 3

Boots pain-relieving drug given approval in U.S.

BY CARLA RAPOPORT

BOOTS, the pharmaceutical and retailing group, has received interim approval to market its best-selling pain-reliever ibuprofen directly to U.S. consumers.

The U.S. Food and Drug Administration's arthritis committee unanimously recommended that Boot's well-established prescription pain-reliever should be sold without a doctor's prescription in low-dosage levels.

This causes Boots and market analysts to expect final approval by the end of this year.

Boots will be breaking into the $1.3bn (£878m) U.S. pain-reliever market with a totally new product, one which is protected by a U.S. patent until May 1985.

The FDA committee said that ibuprofen, if fully-approved by the FDA, would become the first pain-reliever in more than 25 years to be made available directly to the consumer, joining aspirin and acetominophin, the bases of Johnson and Johnson's Tylenol pain killer.

American Home Products, the largest over-the-counter medicines company in the U.S., will market the lower-dose ibuprofen for Boots under a licensing agreement. Both Upjohn and Boots sell ibuprofen to the U.S. ethical drug market.

American Home said it intends to spend $50m in the first year to promote the product to consumers. Some Wall Street analysts predict hat the product could well capture $250m in sales in a few years.

Boots says it would not be unhappy with 10 per cent of the U.S. market in its firs lyear. It claims ibuprofen is superior to aspirin and paracetamol. Backed by its experienced of selling the product world-wide for 14 years, Boots says ibuprofen will not cause gastric upsets as aspirin does in some cases. It also has anti-inflammatory properties which paracetamol does not. Further, ibuprofen's toxicity level is unusually low for a product of its kind.

Mr Terry Steel of Boots said yesterday: "When you can say it's new, new, new and when it's backed by a lot of promotion, you can be sure that Americans will take to it."

The British Government last month approved non-prescription sales of ibuprofen. Last week Boots launched Nurofen, consisting entirely of ibuprofen. The patent for ibuprofen in the UK however, has expired, and competitors have stepped in with rival products made from ibuprofen.

Boots intend to make the pills for the U.S. market in Nottingham and to send them to the U.S. for packaging. James Capel, London stockbrokers, estimate that royalties from U.S. sales could add £10m to Boots's pre-tax profits in 1984-85 if the product is lauched early next year.

Other analysts are less confident. Ian White, pharmaceuticals analyst at W. Greenwell, London stockbrokers, sasy the product's new status represents "one of the most significant launches for Boots in years but not necessarily in profit terms."

He and others cite the fiercely-competitive pain-killer market in both the UK and the U.S. as a major hurdle for Boots. Over-the-counter medicines often produce lower profit margins than prescription medicines. Boots's share price closed at 173p yesterday, up 9p.

Rockware seeks to raise £9.6m

BY RAY MAUGHAN

ROCKWARE GROUP, the largest glass-bottle manufacturer in Britain, has arranged an "essential" injection of new capital to cover heavy losses and plant closures in the last three years.

Proposals to raise £9.6m through an issue of preference shares, placed by Kleinwort Benson, will be put to shareholders when Sir Peter Parker returns as the group's executive chairman on September 14 after his departure from British Rail.

The group stressed yesterday that glass-container manufacturers in Britain still faced over-capacity, price competition, cutomer destocking and increased imports. "There are at present no signs of any significan upturn in the main markets and trading conditions have continued to deteriorate," it said.

Losses reached £9.1m in the first half of 1983 after £400,000 of redundancy payments and the £579,000 cost of closures. Further rationalisation has been announced since the end of June. Rockware believes this will cost £1.75m.

The profitable Alida packaging subsidiary has been sold to its management for £2.9m.

Despite the uncertain outlook, Kleinwort has arranged to place 10m 7.7 per cent convertible preference shares at par. Ordinary shareholders are to be offered rights to a quarter of this issue, on the basis of two new preference shares for every 11 shares already held. The placing group organised by the merchant bank will subscribe for any preference shares not taken up by ordinary shareholders. The issue will account for 65 per cent of the enlarged equity on conversion.

Rockware shares a dominant segment of the total UK market for glass containers with Redfearn National Glass and United Glass, which is jointly owned by Distillers and Owens Illinois.

A Monopolies Commission report in 1978 blocked proposals for the acquisition of Redfearn by either of its two major competitors. The market, beset by declining alcohol consumption and cheap imports, has been struggling to match production with demand ever since. Volume production this year is expected to be some 16 per cent lower than in 1979.

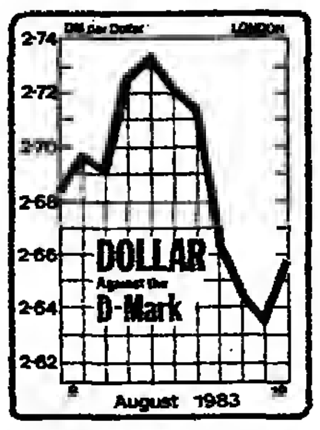
At the end of last year, Rockware was operating 13 furnaces and employed 3,200 in three major sites following the closure last year of its St Helens plant. A study prepared earlier this year by Laing and Cruickshank, the stockbrokers, said that "to satisfy its share of foreseeable demand, Rockware needs only nine furnaces."

The new issue proceeds will be applied to the group's working capital needs, in capital spending and to reduce debts, which totalled £51.4m at the end of last month. Rockware said its bankers, which were granted fixed and floating charges over its assets this year, will continue to provide banking facilities, "subject to the implementation of the proposed issue."

Details, Page 14; Meal Box job losses, Page 3; Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026



Dollar stages recovery

BY JEREMY STONE

THE DOLLAR recovered yesterday amid thoughts in the foreign exchange markets that this week's easing in U.S. interest rates was about to be reversed by a renewed surge in the U.S. money supply.

In London, the currency gained 2.37 pfennigs to close at DM 2.6570. It was firmer against the pound, which closed just over half a cent lower at $1.5180, and rose against other currencies to its highest overall level for two months. The trade-weighted exchange rate calculated by the Bank of England was put at 85.7 (1975=100).

It was the second time in days that the market had changed tack on the dollar. Panicky selling took over from hectic dollar buying when U.S. interest rates dipped sharply.

It appeared yesterday that operators who had sold dollars short during the week on the assumption that yesterday's M1 figure would show further slackening in U.S. monetary growth, were impelled to buy dollars on forecasts of a new acceleration.

The return to the dollar gained more impetus from an upward revision of the U.S. industrial output figures. This suggested that next Tuesday's Federal Open Market Committee, which determines the Federal Reserve's policy over

Continued on Back Page
Editorial Comment, Page 12

£ in New York

	Aug. 19	Previous
Spot	$1.5205-5220	$1.5220-5230
1 month	0.06-0.08pm	0.05-0.07pm
3 months	0.18-0.22pm	0.15-0.17pm
12 months	0.50-0.58pm	0.48-0.53pm

Output in U.S. rises sharply

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. gross national product surged ahead at an annual rate of 9.2 per cent in the second quarter this year far exceeding practically all expectations, according to the revised GNP figures released yesterday by the Commerce Department. The department's estimate, published last month, was for an 8.7 per cent rise.

The figures also suggest that the Reagan Administration's latest official forecast of a 5.5 per cent growth rate during the whole year between the fourth quarter of 1982 and the fourth quarter of 1983, could well be too low. This forecast was also broadly endorsed by the Federal Reserve Board only a month ago.

The economic improvement has also filtered rapidly through into Corporate profits. The Commerce Department estimated a jump of 14.7 per cent in after-tax profits, from a seasonally adjusted annual rate of $108.2bn (£71bn) in the first quarter of the year to $124.1bn in the second quarter. This was the biggest profits improvement since 1975, while the 9.2 per cent GNP growth rate was the best quarterly rate since an 11 per cent gain in the second quarter of 1978.

Inspite of some recent indications that the economy has been slowing down slightly since the end of the second quarter, Mr Robert Ortner, the Commerce Department's chief economist, said yesterday that he is "anticipating another very large increase in the third quarter." By the fourth quarter, however, the growth would "start to slow down" as the recovery begins "to mature."

But inspite of the unexpected strength of the recovery so far, a major cloud remains on the horizon in the shape of the Federal budget deficit. A report released yesterday by the Congressional Budget Office predicted a 1984 budget deficit of $191.6bn, compared with the Reagan administration's forecast of $180bn produced last month. The deficit for fiscal 1985, which begins in October next year, will be $180.4bn, rather than the $170bn projected by the administration, the CBO said.

The CBO's estimates were made before the latest GNP figures were available, but were based on similar economic assumptions to those used in the administration's forecasts last month. The impact on the deficit proections of the second quarter growth figures would be minimal, CBO analysis said. The differences between the CBO's deficit forecasts and those of the Reagan Administration were due mainly to disagreements over the precise budgetary impact of specific spending programmes, they said.

The CBO deficit projections combined with the GNP figures underlined the major worry which is continuing to preoccupy the financial markets — that a clash between the financing needs of the U.S. Treasury and of the rapidly expanding private sector will put renewed upward pressure on interest rates.

Bond market investors particularly have been hoping that the modest increase in U.S. interest rates which has taken place since last spring would lessen the pace of recovery and thus help to avert or at least delay this clash. But so far the signs of such a moderation in growth have been confined mainly to the statistics on housebuilding and monetary growth.

Figures for housing starts published earlier this week showed an 0.6 per cent fall after a period of rapid growth and further deceleration is expected in the months ahead. The growth of the broad monetary aggregates, M2 and M3, has also slowed to within the Federal Reserve targets and interest rates have declined moderately in the past few days as a result.

Although the immediate impact of yesterday's GNP figure was partly to offset these signs of the economy's deceleration, certain aspects of the Commerce Department's detailed analysis suggested that the economy may in fact begin to slow down. The upward revision in second quarter GNP was due to increases in the estimates of fixed investment and net exports, and an even lower rate of destocking than previously calculated. All these components of GNP are likely to be weakened by the recent rise in interest rates while consumer spending, which is less interest-sensitive, proved actually to be somewhat lower in the second quarter than the Commerce Department had originally thought.

OVERSEAS NEWS

France set to strengthen forces in Chad

By David Marsh in Paris

THE FRENCH Government yesterday named an army general to take charge of its growing military operations in Chad as reports continued to circulate in Paris of an imminent deployment of French fighter aircraft at the scene of conflict.

The Defence Ministry refused to comment on reports—apparently emanating from Government leaks—that Jaguar and Mirage fighters could be landing at Chad's capital N'Djamena at or before the weekend.

N'Djamena airport is now protected by sophisticated anti-aircraft missiles in preparation for the arrival of the aircraft from their permanent stations in Francophone African countries.

Deployment of the French airforce—which has been called for by Chad president Hissen Habre, but so far turned down by the Paris Government—would amount to another significant escalation in France's role in the Chad conflict. There has, however, been a lull in the fighting since last week's rebel capture of the northern town of Faya-Largeau.

Again underlining the size and durability of France's military presence, which now amounts to about 1,000 soldiers in Chad and at least 1,500 standing by in neighbouring Central African Republic, General Jean Poli was yesterday designated as commander of the French forces in Chad.

Gen Poli, 54, with long overseas experience in the French army in Algeria, Togo, Madagascar and Djibouti, has since October last year been the deputy general in charge of operations at the 11th Parachute Regiment, part of France's rapid deployment force.

The Defence Ministry said he would be flying out to Chad soon. Gen Poli also occupied for a period up to 1982 a post as military adviser to President Mobutu Sese Seko of Zaire.

The Government now has all but dropped the appellation "instructors" applied to the troops in Chad.

Although they are also said to be training the scanty Chad army, their role is now referred to officially as "dissuading" any advance by Libyan-backed rebel troops into the southern government-held part of the country.

Nkomo gambles on a second chance for a runner-up

BY OUR HARARE CORRESPONDENT

MR JOSHUA NKOMO'S low-key return to Zimbabwe this week was a sober reminder that the veteran Zapu leader's chances of making a successful comeback are remote.

There was a stark contrast between the handful of loyal supporters and friends who greeted him at Harare airport early on Tuesday morning and the huge crowd of 250,000 or more that welcomed him as a triumphant returning hero three and a half years ago.

This comparison may be somewhat unfair, for his 1980 pre-independence elections return was at a time of high nationalist fervour, whereas now Mr Nkomo is just another African politician who came a poor second at the polls.

But there was a further anticlimax. Mr Nkomo had promised a major new initiative to solve the country's dissident problem in Matabeleland where armed dissidents, disowned members of Mr Nkomo's minority Zapu party, have been harassing white farmers and black villagers for the past 18 months.

Yet far from appearing at Wednesday's parliamentary session as the saviour of the nation with a prepared plan drawn up during his five months of self-imposed exile in London, Mr Nkomo sought—largely ineffectually—to justify his decision to flee Zimbabwe last March.

Opposite a relaxed and self-assured Prime Minister, Mr Robert Mugabe, the veteran nationalist gave a lacklustre performance.

Mr Nkomo's first and most immediate task is to restore unity and a sense of purpose within Zapu itself. In his absence the party appeared weak, leaderless and divided. Some senior MPs held on to their cabinet posts under Mr Mugabe despite the sacking of the Zapu leader and three of his most senior colleagues. Others have continued to operate as the parliamentary opposition.

The third, extra parliamentary group, consisting of up to several hundred armed dissidents in the bush, many former Zapu guerrillas, appears to have lost confidence in the elected leadership.

Part of Mr Nkomo's strength, however, is his apparent ability to retain the enthusiastic support of the majority of the Ndebele people in Matabeleland, though clearly in danger of losing the younger element altogether.

The disaffected youth may see their alternative leader in Mr Dumiso Dabengwa, the former intelligence head of Zapu's wartime military wing, Zipra. He has been widely tipped as a potential successor to Mr Nkomo, but following his acquittal in the courts on a charge of treason he was re-detained by the government—a move which has done his popularity in Matabeleland no harm but kept him out of circulation.

Nkomo . . . just another African politician who came a poor second at the polls.

Mr Nkomo, meanwhile, retains his ambitions, and he made it clear at his news conference earlier this week that he intends to lead Zapu into the country's first post-independence elections.

These must be held by February, 1985, and are likely to be called in the latter half of next year.

Mr Nkomo apparently sees little likelihood of an agreement being reached in the current low-profile "unity" talks between his party and Mr Robert Mugabe's ruling Zanu-PF.

The two parties would seem to have irreconcilable interests. Mr Mugabe is committed to a one-party state. Given his comfortable overall majority in parliament and his ethnic majority in the country—roughly 80 per cent Zanu-orientated Shona voters to 20 per cent Zapu-inclined Ndebele voters—he has few reasons for compromise, except for the need to end the dissident problem.

By contrast, Mr Nkomo's bargaining position is very weak. His party is in permanent minority and he himself does not seem to be in total control. He is demanding an alliance, while Zanu-PF is interested only in a merger, but a merger would, Zapu leaders fear, spell the end of their influence since they would simply be "swallowed" by the far larger Zanu-PF organisation.

It is also doubtful whether Mr Nkomo is yet willing to settle for a largely cosmetic ministerial position in a Cabinet in which he and his friends would, once again, be hopelessly outnumbered.

While he might try to hold out for the post of Deputy-Premier—already denied him after the 1980 elections—there are those in Zanu who would strongly oppose such a move since it could leave Mr Nkomo in office should anything untoward happen to the Prime Minister.

The signs are that Mr Nkomo, now aged 66, believes he has one final chance at the polls next year to wrest power from Zanu. He himself has often said that the next elections will give the people an opportunity to pass their verdict on the Mugabe Administration, but there are very few political analysts here who expect votes to swing from Zanu-PF to Zapu.

The political pendulum simply does not swing between one party and another in countries where ethnic and tribal differences are more important than policies and ideology.

In any event, the clear-cut differences between the two parties are limited. It may well be that there is some disillusion at grassroots level with Zanu-PF policies and performance, and there certainly are signs of a post-independence crisis of unfulfilled expectations. But this is more likely to surface in the form of a lower turnout at the polls and some change of candidates within the ruling party.

All of which suggests that if, as seems likely, the unity talks fail and Zapu contests the 1984 elections, the party is unlikely to do much more than retain its 20 of the 80 parliamentary seats allocated to black voters. The remaining 20 seats are reserved for whites.

It may well be that a second convincing Zapu defeat at the polls is needed before a majority within the opposition party agrees to the kind of compromise which could give it limited influence in Government.

Warning on election violence in Nigeria

By Quentin Peel in Lagos

THE NIGERIAN Government has issued a tough warning in response to the sporadic violence which has hit two states in the west of the country in the wake of last week's elections for state governors. It has threatened to close down the state radio and television stations, and insisted that the security forces will act to restore normality.

The statement came as the unrest appeared on the wane in Oyo and Ondo states, where the incumbent governors, belonging to the Unity Party of Nigeria (UPN), were defeated by members of the ruling National Party of Nigeria (NPN) in hotly disputed polls.

The Government blames "a few highly placed political leaders" for initiating and encouraging "wanton acts of arson and thuggery" and even inciting their supporters to kill.

According to official police statements, some 49 people have died in the politically-inspired violence of the past week in Oyo, Ondo, Ogun, Lagos and Niger states. Both angry mobs and police attempting to control them have been held responsible for the deaths. However, the worst of the disturbances appear to be over, with the state capitals of Ibadan and Akure described as quiet but still tense.

There is continuing concern over what might happen with three rounds of elections still to come: for national senators, due to take place today, for national representatives a week later, and for state assemblies on September 3. However, voting in Oyo state has been put back for at least a week, and in Ondo it has been postponed indefinitely, which could help defuse the situation.

The defeated governors in Oyo and Ondo states, Governor Bola Ige and Governor Adekunle Ajasin, have been condemned for inflammatory statements by Judge Victor Ovie-Whiskey, chairman of the Federal Electoral Commission. On Wednesday night, police took over the state radio station in Ondo.

The opposition parties have alleged widescale falsification of the election returns for state governors in favour of the ruling NPN, although Judge Ovie-Whiskey insists that the voting returns are in order. The NPN victory in Anambra state in the east is being challenged in a election petition, and the results in Oyo and Ondo are due to be challenged as well.

Attack on Walesa

The state-run Polish media yesterday branded Lech Walesa a "ridiculous figure," "intent on cutting down Polish standards of living," AP reports from Warsaw.

The attack, distributed by the official Polish news agency PAP, broadcast on state-run radio and published in all Warsaw dailies, was the harshest incident so far in a drive to discredit Walesa in the run-up to the third anniversary of the agreement that gave birth to Solidarity on August 31, 1980.

China bond 'irritant'

The Reagan administration asked a federal court to set aside a judgment ordering China to pay more than $40m for allegedly defaulting on a 1911 loan to finance construction of a railroad from Peking to Canton, Reuter reports from Washington.

In a statement filed with the court, George Shultz, Secretary of State, said the court's judgment threatened to be "a major irritant" in U.S.-Chinese relations.

Rabat fish deal

Deadlock over Spanish fishing right off Morocco has been overcome after talks in Rabat between the Spanish Foreign Minister, Sr Fernando Moran, and King Hassan, David White writes from Madrid.

Morocco has agreed to lift the fishing ban around the Moroccan town of Tarfaya, opposite the Spanish Canaries. The area covers fishing grounds vital for the sardine fleet based on the island of Lanzarote.

Salvador meeting

The Salvadorean peace commission will meet left-wing guerrillas in the next two to four weeks for talks aimed at ending the country's civil war, the commission chairman said yesterday, Reuter reports from San Salvador.

IMF chief in urgent talks on Brazil debts

BY DAVID MARSH IN PARIS

BRAZIL'S Planning Minister, Sr Antonio Delfim Netto yesterday met M Jacques de Larosiere, the managing director of the International Monetary Fund, in Paris for urgent discussions on Brazil's battle to cope with international debt repayments.

At the end of a day of secrecy and confusion, Sr Delfim appeared to be on the point of returning to Brazil without making the anticipated trips to London and Frankfurt and possibly New York for talks with increasingly worried bankers who are owed the bulk of the country's nearly $90bn of international debt.

Sr Delfim on a hastily arranged visit to Paris is at the centre of Brazil's drive to secure agreement with the IMF on a revised economic adjustment programme. This is the key to unlocking not only further disbursement of loans from the Fund but also fresh "jumbo" credits from international banks and a planned rescheduling of Brazil's large loans from Western governments.

Yesterday afternoon Sr Delfim also had half an hour of discussions with M Michel Camdessus, the director of the French Treasury.

The French Finance Ministry supplies the secretariat and meeting place for government-to-government rescheduling talks at the Paris Club of Western creditor nations.

Sr Delfim himself brought to Paris a copy of the Brazil Finance Ministry's formal letter asking for the opening of rescheduling negotiations of the club.

There was no indication last night of what results came out of the meeting between Sr Delfim and M de Larosiere, who interrupted his touring holiday in Umbria, northern Italy, to see the Brazilian minister at a secret rendezvous.

Sr Delfim was believed to have pressed home the view to M de Larosiere that the IMF's tough economic targets set as conditions for further loans—including a reduction of the public sector budget deficit to zero over the next two years—were politically unacceptable.

Sr Delfim's apparent decision to return home without seeing bankers in London seems to reflect the growing difficulty Brazil is experiencing in winning bank support for a fresh round of international debt renegotiation.

Brazil is seeking an accord on converting 1984 capital repayments of $5.1bn into new eight-year bank loans, as well as the raising of over $9bn.

The country is believed to be seeking the same rescheduling terms over eight years for the $1.5bn of government-to-government loans falling due over the rest of this year and 1984.

These loans—out of a total of between $7bn and $8bn in officially-guaranteed trade credits outstanding to western governments—will form the centrepiece of the forthcoming Paris club negotiations.

Alan Friedman, Banking Correspondent, adds: One European central banker said yesterday that Sr Delfim's visit was designed solely to meet M de Laroisere and underscored the extent to which the IMF managing director has become "the strong man of debt rescheduling."

Venezuela to centralise private debt payments

BY KIM FUAD IN CARACAS

VENEZUELA is planning to set up a Mexican-style system of guaranteeing payment of the country's estimated $9bn (£6bn) private sector foreign debt, according to Sr Arturo Sosa, the Finance Minister.

Sr Sosa did not reveal details of the proposed system but bankers believe it would involve forward exchange contracts under which the central bank would guarantee dollars for debt repayment.

President Luis Herrera Campins indicated earlier that he believed that private sector foreign debt should be paid through state institution instead of by individual debtors. Debtors would deposit bolivars in the institution, which, in turn, would pay foreign creditors in dollars.

Immediate reaction to the proposal was favourable. Sr Carlos Ramirez Machado, president of the National Industry Council, said: "We would be willing to pay the agency in bolivars if the government guarantees it will authorise dollars for debt repayment."

Private sector interest payments on foreign debt are now about $400m in arrears, posing a major obstacle to Venezuelan efforts to reschedule $18.4bn of public sector foreign debt falling due this year and next.

Although dollar payments at the preferential rate of 4.30 bolivars per dollar for the private sector have been approved by the foreign exchange control office (Recadi), they have been blocked by the central bank.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	7.00	7.25	8.25	8.25	High Option, 3 mth. not. no pen.
				8.25	60 Plus, 6 y., on dem. (int. pen.)
				7.75	7 days' notice, no int. pen.
Aid to Thrift	7.80	8.50	—	—	
Alliance	7.00	7.25	8.25	8.50	2-month notice shares
Anglia	7.00	7.25	8.25	8.25	3 yrs., 2 mths.' notice/penalty
				8.25	Capital Sh., 1 mth.'s notice/psn.
Birmingham and Bridgwater	7.00	7.25	8.75	8.25	Extra Interest Shares
Bradford and Bingley	6.75	7.25	8.25	8.25	1 m. not. or on dem. (int. pen.)
Britannia	7.00	7.25	8.25	7.75	7 days' notice, 8.25 2 mths.' not.
Cardiff	6.75	8.00	8.75	—	
	—	*8.50	—	—	* Share a/c bal. £10,000 & over
Catholic	7.00	7.50	8.50	8.25-8.50	Monthly Income Accounts
Century (Edinburgh)	7.25	7.75	—	8.75-9.50	Fixed terms 2/3 years
Chelsea	7.00	7.25	8.25	8.50	m. wdl. (int. pen.) or 1 m. not.
Cheltenham and Gloucester	7.00	7.25	8.25	8.25	Gold account £1,000+ no notice no penalties. Monthly interest £5,000 min. 8.57 if compounded
Citizens Regency	7.00	7.50	9.00	8.40	plus a/c £2,000+, no not./pen.
City of London (The)	7.25	7.50	8.25	8.25	4 mths.' notice—no penalty
Coventry	7.00	7.25	8.50	8.75	4 yrs., 8.50 3 yrs., 8.25 3 mths.
				8.00-8.75	28 days' notice/penalty
Derbyshire	7.00	7.25	8.50	8.25	
Greenwich	6.50	7.25	8.50	8.25-8.50	subject to notice/bal.
Guardian	7.00	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.00	7.25	8.25	8.25	Xtra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	7.00	7.25	8.50	8.00	1 mth. not., 8.25 Flexi-Term
Hemel Hempstead	7.00	7.25	8.50	8.75	3 yrs., 8.50 3 months
Hendon	7.50	8.25	—	9.25	6 months, 8.75 3 months
Lambeth	7.00	7.50	8.75	9.25	6 mths., 9.10 28 days, 8.25 3 m.
Leamington Spa	7.10	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.00	7.25	9.00	8.75	5 yrs., 8.25 1 mth. interest pen.
Leeds Permanent	7.00	7.25	8.25	8.25	3 yrs., E.I. a/c £500 min. 8.00
Leicester	7.00	7.25	8.25	8.25	3 yrs., 8.25 3 months
London and Grosvenor	7.00	7.75	9.30	8.25	High Yield (1 month)
London Permanent	7.00	7.75	—	9.00	6 mth. not. or 2 m. not. — pen.
Midshires	7.00	7.25	8.25	8.25	Ever Ready—Easy access
Mornington	7.80	8.50	—	—	
National Counties	7.25	7.55	8.55	9.10	28 days' notice £500 min.
National and Provincial	7.00	7.25	8.25	8.25	1 mth. not. also mthly. income
Nationwide	7.00	7.25	8.25	8.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 8.25 £500 min. imm. wdl. with penalty
Newcastle	7.00	7.25	8.50	8.75	4 yrs., 8.25 28 days' notice, or on demand 28 day's int. penalty
New Cross	8.00	8.25	—	8.25-9.25	on share accs., depending on min. balance over 6 months
Northern Rock	7.00	7.25	8.50	8.00	High Int. Sh. 8.25 Prem. share
Norwich	7.00	7.25	8.50	8.50	City a/c imm. wdl. no penalty
Paddington	6.75	7.75	9.25	8.75	Loss 1 mth. int. on sums wdn.
Peckham	7.75	8.00	—	8.50	2 y., 9.00 3 y., 9.50 4 y., 8.25 Bns.
Portman	7.00	7.25	8.75	8.75	2 mths., 8.25 Flexi-Plus
Portsmouth	7.35	7.55	9.05	9.40	5 yrs., 9.00 6 mths., 8.50 1 mth.
Property Owners	7.25	7.75	9.00	8.75	28 days
Scarborough	7.00	7.25	8.50	8.25	Money Care + Free life insce.
Skipton	7.00	7.25	8.50	8.25	1 month's notice, 8.60 3 years
Stroud	6.75	7.25	8.50	8.65	3 months, 8.25 1 month
Sussex County	7.00	7.25	9.00	8.00	7-day County share account
Sussex Mutual	7.25	7.50	9.00	7.75-9.00	
Thrift	7.15	8.15	—	10.15	5 yrs. term. Other accnts. avail.
Town and Country	7.00	7.25	8.25	8.50	3 yrs., 60 days' wdl. notice
				8.50	imm. wdl. 28 days' interest loss
Wessex	7.25	8.30	—	—	
Woolwich	7.00	7.25	8.25	8.25	90 days (interest loss)
				8.25	Special Interest Shares. 90 days' not. or imm. wdl. with 90 days' interest loss (minimum £500)
				8.00	imm. wdl. 28 days' interest loss
Yorkshire	7.00	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Brussels publishes draft coal strategy

By Paul Cheeseright in Brussels

THE European Commission is proposing that the EEC spend £226m a year to help modernise the coal industry and pay for the steady run-down of its heavy stocks.

Part of the funds would be spent on the development of the brown coal and peat industries of Greece and Ireland. The UK Government is expected to welcome the plan which, yesterday, was published in the form of a draft regulation for EEC ministers.

Greece, now holding the presidency of the EEC, is keen on development of an EEC policy for solid fuels. The search for a policy has proved elusive, with the EEC split between coal producers, such as the UK and West Germany, and the consuming countries.

Under the new Commission proposals, EEC funds would be spent on the modernisation of mines which would become economic and competitive with higher productivity. Aid would be held to 25 per cent of the investment costs. The programme would run until 1988.

The Commission calculates that spending on modernisation, coupled with help for Ireland and Greece, would cost a minimum of £189.5m a year.

The balance of the planned annual spending, £56.5m, would go on reducing the financing burden of holding heavy stocks.

Coal stocks at Community mines have steadily increased, adding to the costs of producers, partly because of reduced demand during the recession and partly because consumers have often preferred to buy cheaper imports. By the end of last year, stocks totalled 45.3m tonnes, equivalent to over two months of EEC production. By the end of this year, if coke is included, they will have reached 63m tonnes.

The proposals favour the British view that coal is an EEC asset and that a viable industry will assure security of supplies. Over two-thirds of 1982 investment in the EEC coal industry, worth £678m, took place in the UK.

S. Africa suffers share sell-off

BY BERNARD SIMON IN JOHANNESBURG

DISINVESTMENT from South Africa through the sale of shares on the Johannesburg stock exchange has exceeded R1.3bn (£850m) since February, according to a report published yesterday by Davis, Borkum, Hare and Company, a local stockbroking firm.

The firm estimates that net sales of South African mining shares totalled R723m. The rest is accounted for by foreign companies' sales of all or part of their South African subsidiaries. Shares worth R604m were sold by Associated British Foods, Jardine Matheson of Hong Kong and Metal Box.

Davis, Borkum estimates that these withdrawals have wiped out more than half of the current account surplus on the balance of payments during the first half of 1983.

It said that "the real impact of the surplus on the economy has been minimal and this will delay the economic recovery."

Parties to some of the large withdrawals, notably Associated British Foods and Jardine Matheson, have agreed to stagger the repatriation of funds over several months to cushion the effect of South Africa's balance of payments.

The sales result mainly from the abolition of the investment currency, the financial rand, earlier this year, and the weak gold price. Because the financial rand traded at a discount to the normal exchange rate, foreign investors were able to reap high returns from the South African stock market. Dividends could be remitted at the commercial exchange rate.

According to Davis, Borkum, foreign ownership of South African mining shares dropped to 31.9 per cent of market capitalisation at the end of June 1983, from 33.7 per cent in December 1982. The proportion held by U.S. investors fell to 18.3 per cent from 19.5 per cent.

Foreign shareholders accounted for 42 per cent and U.S. shareholders for 30 per cent of gold mining shares at the end of 1979.

De Beers, the diamond company, has been one of the heaviest casualties of the sell-off, with foreign shareholdings declining to 35.4 per cent of market capitalisation in June from 39 per cent six months earlier.

Marc Rich court hearing postponed for month

BY OUR FOREIGN STAFF

THE U.S. GOVERNMENT and Swiss-based commodity trader Marc Rich AG have agreed on a month's breathing space in the legal battle over access to Marc Rich documents.

A hearing scheduled for Monday has been postponed until September 19 under a compromise worked out by lawyers for the government and the company.

The hearing was designed to determine whether Marc Rich has acted in good faith.

Attorneys for the government, in pushing for a postponement, argued that they needed more time to obtain documents for a Federal Grand Jury investigation into whether the commodity firm evaded federal income taxes.

After Marc Rich refused to turn over the documents, the Grand Jury subpoenaed them. Since then the issue has been developing into a full-scale confrontation between U.S. and Swiss authorities over jurisdiction claims.

U.S. federal agents last week seized two trunkloads of papers on a Swissair plane at Kennedy Airport in New York.

The Swiss Government in turn impounded some documents at March Rich headquarters in Zug, claiming that handing them over would have infringed the country's jealously-guarded economic secrecy laws.

The Swiss have been angered by U.S. attempts to extend jurisdiction beyond U.S. territory, and particularly by what they see as the Americans' failure to go through official channels in demanding legal assistance from Switzerland.

Syria agrees to look at U.S. peace plan

By Our Foreign Staff

SYRIA HAS softened its attitude towards the U.S., by agreeing to examine the Israeli-Lebanese withdrawal agreement. This does not imply that the agreement, signed in May, will be any more acceptable to the Syrians now than when they rejected it before, but it does show a slightly more conciliatory attitude in Damascus.

Syria has always insisted that its withdrawal cannot be equated with that of Israel. Visits by Mr Robert McFarlane, the U.S. special envoy, to Damascus have led to no weakening in Syrian determination not to pull out.

In Lebanon, Israeli units are still waiting to withdraw from the Shouf mountain area and retrench along the Awali River north of Sidon.

India records 5% annual growth rate

BY K. K. SHARMA IN NEW DELHI

THE INDIAN economy has registered an average annual growth rate of 5 per cent in the first three years of its sixth five-year plan (1980-85).

Taking inflation into account, however, only 62 per cent of the planned investment will have been made in the first four years, ending March 1984.

For this reason, the Government has decided to make investments of an additional Rs 8bn (£526m) in the current year and has indicated there will be a substantial increase in investment next year so that most of the important plan targets are achieved.

The mid-term appraisal of the plan which was presented to parliament yesterday by Mr S. B. Chavan, the Planning Minister, says that public sector investment, targeted at Rs 975bn over the five-year period, would have been higher but for a drag on the economy caused by last year's devastating drought and oil price rises.

Many sectors have failed to meet planned targets but notable successes have been achieved in crude production and petroleum products. Nearly two-thirds of the country's requirements are now met by the domestic industry after heavy investments in the energy sector.

But there has been a sharp slackening in electricity generation because of delays in implementing hydel and thermal projects and under-utilisation of existing capacity of power stations.

Food grain production is estimated to be lower than planned and the production hoped for in the final year of 154m tonnes will not be achieved. Instead, the lower production of 148m tonnes is hoped for.

The appraisal hints at shifts in priorities in the remaining two years of the plan so that the pace of overall development is not slowed and a firm base is laid for the seventh five-year plan, the drafting of which has now begun.

Major industrial sectors like steel, coal and heavy industry have fallen back in the past three years. These, combined with difficulties in power generation and transport, mean overall industrial production is far below the target of an 8 per cent annual increase.

FINANCIAL TIMES, USPS No. 190640, [illegible] New York NY [illegible] FINANCIAL TIMES, 75 Rockefeller Plaza, N.Y., NY 10019.

Metal Box's food can plant to cut 251 jobs

By Gareth Griffiths

METAL BOX, whose UK workforce has fallen from 33,000 to 24,000 in the past three years, is to slim down its food and drink can plant at Perry Wood, Worcester, with the loss of 251 jobs.

The losses, out of a total of 850, will be in two stages: 196 jobs will be phased out during the next three months and the remaining 55 by mid-1985. Metal Box hopes all the jobs lost will be through voluntary redundancies and discussions have taken place with trade unions at the plant.

Metal Box says the job losses are needed to make the plant more competitive. The factory produces non-standard three-piece cans mainly for the food industry. Production at Perry Wood is geared mainly to soldering the three pieces together, an increasingly obsolete technology compared with welding the three-piece can and the plant will switch now to the welding method.

Plastic containers have also damaged the traditional can market, although Metal Box is a leader in plastics, flexible packaging and paper-based containers. It is also the UK's dominant supplier of food cans and of metal containers.

● Textile Bonding, which makes laminated fabric for the car trade, has closed its factory at Rushden, Northants, with the loss of 43 jobs. The company blames reduced business and is now concentrating production at its factory in nearby Higham Ferrers.

● Workers at the Motherwell and Glenrothes factories of Anderson Strathclyde have been told that the Glasgow-based company is seeking voluntary redundancies because of reduced demand for its mining engineering products.

There is no set target for the redundancies. The company said: "We have no idea of the response we will get, and we will consider the position later." Control of Anderson Strathclyde recently passed to Charter Consolidated after a lengthy takeover battle.

Express magazine printing contract lost by BPCC

BY DAVID DODWELL

MR ROBERT MAXWELL's British Printing and Communications Corporation confirmed yesterday that it had lost the £7m contract to print the Sunday Express colour magazine.

Weekly printing of about 2.8m copies of the magazine, launched almost two years ago, will be transferred to Bemrose, the Liverpool-based printer owned by Mr Rupert Murdoch's News International.

Mr Maxwell said yesterday that the loss of the contract would not dent the group's profits but it is understood that jobs will be lost thereby. The Sunday Express magazine is printed at the Odhams print works at Watford, which is already scheduled to close on September 30 with the loss of 1,200 jobs. BPCC had hoped the Express contract would be switched to the group's nearby Sun printing plant.

The Express is the only major magazine contract lost by BPCC since the decision to close Odhams. It will print the Sunday Times magazine, the TV Times, the Mail on Sunday, part of the Radio Times and all of IPC's women's magazines at the Sun plant after September.

At Bemrose, Mr Bruce Matthews, the chairman, said the Express contract would make the difference between losses — which stretched to £1.35m in the year to June, 1983 —and profits. An extra 50 to 60 people will be taken on to print the magazine. At present, the printworks employs about 1,300 people.

Bemrose prints the Sunday Telegraph magazine, and the News of the World's colour magazine, called Sunday. It also prints colour pages for most of the Fleet Street tabloid newspapers, as well as The Times, Mr Matthews said.

Until 1981, Bemrose printed the TV Times. Mr Matthews conceded yesterday that the loss of this contract—to BPCC—had almost brought the company to its knees.

Bemrose will print the September 25 issue of the Express magazine. The expected print run of 2.8m magazines a week, and editions ranging from 40 to 96 pages, will account for about 20 per cent of the plant's workload.

Express Newspapers said that switching from Odhams to Bemrose was not connected with the closure of the Odhams works. A spokesman said, "it was purely a commercial decision."

TI tube stock operations sold

BY PETER BRUCE

TI HAS sold its two main UK steel-tube stockholding operations to C. Walker and Sons, a private stockist, for about £3.3m cash. The sale takes TI some way towards extracting itself from the depressed steel-tube industry altogether.

C. Walker and Sons, probably Britain's third-largest steel stockholders after GKN Steelstock and British Steel Corporation, plans, initially at least, to retain the 140 workers at TI Markland and TI Wilson, in spite of overcapacity in steel stockholding generally and depressed tube prices.

TI has managed to sell Markland and the smaller Wilson operation while they continue, just, to make small profits. Combined pre-tax profits of the two past years were £670,000 but it is now believed they have slumped to about breakeven.

The sale has implications for both the UK steel stockholding industry and for tube production in the country. The bigger stockists apparently take the view, with BSC, that there are too many stockists in Britain.

Intense competition has encouraged many smaller stockists to import cheaper steels and frustrated efforts by the corporation and the major stockholders to stabilise prices. C. Walker and Sons might well feel that its two acquisitions are not worth keeping open should tube prices fail to stiffen in the spring, as forecast.

For its part TI made clear a year ago that it was considering leaving a large part of its tube-making business.

BSC and TI began talking about rationalising UK tube-making capacity a year ago but TI executives are thought to be concerned at the slow progress of these discussions. TI made a trading loss of £1.8m on its tube businesses in the first half of this year, a dramatic decline from 1976, when it made trading profits of £26 for the 12 months.

Compensation settlement in sight

BY RAY MAUGHAN

JOHN BROWN, the loss-making engineering group, expects to settle early next week the compensation claim of £400,000 presented by Sir John Mayhew-Sanders, *the former chairman.*

Sir John, who resigned last month after 11 years on the board, is in Portugal until the end of this month. But he is understood to have based his compensation claim on a five-*year rolling contract.* His remuneration in the year ended March 31 rose from £73,352 to £81,098 despite the group's trading decline from a pre-tax *profit* of £14.19m in the previous year to a loss of £8.61m.

The terms of a settlement are still subject to negotiation and the exact balance between compensation and pension entitle*ments has not been decided,* but John Brown is now certain that the overall payment to its former chairman will be less than £200,000.

The compensation terms are almost certain to be debated by shareholders when the new chairman, Sir John Curkney, opens the group's annual meeting on September 9.

Volvo defends 3-series' safety record

VOLVO concessionaires again defended the safety record of its automatic transmission Dutch-built 3-series cars yesterday, following fresh allegations lodged in a Daily Telegraph advertisement.

Mr Frank Barker invited other Volvo owners to contact him if they had experienced what he claimed to be cars going out of control from standstill when drive was engaged. He claims to have had about 40 replies which are being passed on to Dr Henry Tintner, a London doctor, and Volvo owner, who is collecting material to prompt a new investigation.

The issue first arose after an owner crashed her car immediately *after.* It *was delivered* in January. Two more incidents were reported and the Department of Transport and the Motor Industry Research Association carried out inquiries. Both, says Volvo, found no mechanical defects.

The 3-series Volvo's transmission, unlike other automatics is constantly variable, using drive-belts and epicyclic gears. The system has been in use in various forms for many years, and was fitted to DAF models

Parts of the Volvo owners handbook are being rewritten to emphasise correct starting procedures.

Economic Diary

Tomorrow: Department for National Savings' monthly progress for July.

Monday: Gulf Co-operation Council meets in *Taif,* Saudi Arabia.

Tuesday: British Association for Advancement of Science annual *meeting* (to August 26) at the University of Sussex. EEC working party on financial reform meets in Brussels. Australian Budget. Exxon and China expected to sign oil exploration pact. *Deadline* for *IATA agreement* on North Atlantic fares.

Wednesday: Department of Trade publishes figures for balance of payments current account and overseas trade in *July. Department* of the Environment issues statistics for new orders in the construction industry in June. TUC General Council meets.

Thursday: Department of Energy gives energy trends for June. Department of Employment issues final unemployment and unfilled vacancies for July, provisional stoppages of work due to industrial disputes during July, overtime and short-time working in June and provisional June figures for employment in the production industries. Mr Kenneth Baker, Minister of State *for* Industry, begins four-day visit to Burma. Mr John Block, U.S. Agriculture Secretary, visits Moscow to sign a new five year U.S.-Soviet grain agreement. NUPE meeting on low pay (Mr Rodney Bickerstaffe and Mr Michael Meacher attend) at Westminster Hall.

Friday: Creditors of Triumph Meriden motorcycle co-operative meet to decide on possible winding up of the company.

Carless Capel makes third oil discovery

By Richard Johns

ANOTHER oil discovery in southern England at Hester's Copse, Hampshire, was announced by Carless Capel and Leonard. This is the company's third.

Initial testing of the well gave a modest preliminary flow rate of 75 barrels a day. But it is close to and believed to be one of three satellite structures of the Humbly Grove field.

Carless Capel and Leonard is preparing development plans for Humbly Grove. The main structure is believed to contain as much as 75-80m barrels of oil of which 20-25 per cent might be recovered.

Humbly Grove and Hesters Copse are in exploration area 116b. Carless Capel and Leonard is the operator with a 28 per cent share of a consortium including Cambrian *Exploration*, Marinex Petroleum, St Joe Petroleum, Sulpetro and Hudson Oil.

Carless Capel and Leonard's other discovery is in another licence area at Horndean on the Hampshire-Sussex border.

Lake and Elliot

CAPITAL gearing of Lake and Elliot is expected to rise to about 70 per cent following the closure of the group's Fife foundry. It will not exceed *shareholders' funds, as reported* in yesterday's editions.

Posgate to sue U.S. owners of Howden

By John Moore, City Correspondent

THE FORMER leading insurance underwriter of Alexander Howden, Mr Ian Posgate, is planning to sue American owners, Alexander and Alexander Services, one of the world's largest insurance brokers.

Next week Mr Posgate will visit lawyers in the U.S. to discuss the action, which he intends to launch as a shareholder of Alexander and Alexander.

The proposed litigation will be taken through a class action, which shareholders can take if they think a company is not being run in their best interests.

He has begun one action in the UK against Alexander and Alexander for unfair *dismissal.* That was started last year in the wake of allegations by Alexander and Alexander that $55m (£36m) of group funds had been misappropriated by four former Howden directors. Mr Posgate was named as a fifth executive involved in the alleged misappropriation.

Mr Posgate was subsequently removed from office by Alexander and Alexander. He has also been suspended from the ruling council of Lloyd's and prevented from working in the Lloyd's market.

In the new action, Mr Posgate will be challenging Alexander and Alexander on *its management performance* since its takeover of Howden at the beginning of 1982. He holds 64,000 shares and with his family's interests his total stake in the American group is 80,000.

Legal actions launched by Alexander and Alexander against the five former Howden executives—Mr Kenneth Groh, the former chairman, Mr Ronald Comery, Mr Alan Page, Mr Jack Carpenter, and Mr Posgate—is expected to come before the UK courts in late September.

Alexander & Alexander is claiming damages for fraud and/or misrepresentation and/or negligent mis-statement in an about and in relation to its aquisition of the entire share capital of Howden.

There are move by some of the defendants to have the action delayed until the outcome of an arbitration between Alexander & Alexander and Mr Groh, Mr. Comery, Mr Carpenter and Mr Page over the return of assets to the group.

Benn rules out Banks sacrifice

By Margaret van Hattem

MR TONY BENN has let it be known that he would like to return to Westminster but only by strictly orthodox methods.

This follows the disclosure that Mr Tony Banks, who was elected MP for Newham North West in June, offered *to resign his seat to make way* for Mr Benn.

Mr Benn is understood to have turned down the offer tactfully, expressing his gratitude, but suggesting that it would constitute "unfair manipulation of the voters in Newham North West who voted for Mr Banks in the June election."

Mr Banks's constituency party chairman, Mr Conor McAuley, was much blunter. "It's a bad idea that never got off the ground," he said yesterday.

TUC may expel Sogat over Fleet Street electricians

BY DAVID GOODHART, LABOUR STAFF

THE PRINT UNION Sogat '82 could face expulsion from the TUC at Congress in two weeks' time if the executive does not take immediate steps to expel the few hundred Fleet Street electricians who now claim to form a new electrical/electronic press branch of Sogat.

Signs that the executive will be extremely reluctant to take such a step emerged from its meeting last week when by a large majority it rejected the advice of Mr Bill Keys, Sogat general secretary, to progress with immediate expulsion. Instead, the executive agreed to hear a formal appeal from the London Machine Branch on behalf of the electricians at its next meeting in the third week of September.

Mr Sean Geraghty, secretary of the breakaway group, claims that nearly 900 of the 1,300 Fleet Street electricians have now left the Electrical and Plumbing Trades Union because of "political intimidation." But in spite of being at loggerheads with the left-led Fleet Street branch for many years the EPTU is not prepared to allow them to leave the union also alleging a politically-inspired plot led by communists discredited in the ballot-rigging scandal of the early 1960s.

Although the TUC's Bridlington agreement—which regulates membership arguments—is open to interpretation the TUC has so far come down emphatically on the side of the EPTU.

Mr Len Murray, TUC general secretary, earlier this month said: "The joint general secretaries of Sogat '82 have assured me that if any members of the Press branch of the EPTU have been taken into membership they will be excluded immediately. There is, therefore, no such body as the Electrical/Electronic Press branch of Sogat '82."

Mr Murray is now said to be extremely concerned at the lack of response from Sogat. Last week he wrote to Mr Bill Keys — a senior member of the TUC General Council and chairman of the influential employment committee claiming that a letter from Mr John Mitchell (secretary of the London Machine branch) to Mr Sean Geraghty "runs directly counter to advice I tendered to Sogat '82 and assurances given by the Joint General Secretaries."

He repeats that the executive should take immediate steps to expel the electricians and if this does not happen "I shall act forthwith to deal with this matter."

Mr Murray and the EEPTU leadership are unlikely to wait until late September for a final decision from Sogat and the issue could become a major dispute at Congress if the executive does not expel them before. Although many senior union officials might sympathise with the electricians' desire to leave the EEPTU they will also be wary of the precedent that dissident groups within other unions would exploit if Sogat is not dealt with harshly.

Many members of the left-dominated Sogat executive are both deeply hostile to the EPTU leadership and also aware that an Electrical/Electronic Press branch could be an enormous boost to the union—especially in Fleet Street—as other sections are hit by new technology. They might thus be prepared to face expulsion form the TUC and retain the electricians in membership.

That could spark off yet more dislocation in Fleet Street as the EEPTU backed by the TUC attempt to replace the dissident electricians.

Unions' rolls may be monitored

BY PHILIP BASSETT, LABOUR CORRESPONDENT

SENIOR TRADE union leaders are considering proposing at next month's annual TUC Congress in Blackpool, that the TUC should begin to monitor affiliated unions' membership figures. The figures now form the basis for election to the governing TUC General Council.

Pressure for closer scrutiny of membership figures, submitted by the TUC's 105 unions, has been mounting since the switch was confirmed at last year's Congress. The election of the General Council is now based on membership size rather than the power and the patronage of the larger unions.

Feelings have increased sharply following the controversy over some unions' returns —in particular those of the Amalgamated Union of Engineering Workers.

Under the new system of automatic representation on the General Council, the cut-off point above which unions get four seats has been pitched at 1m members.

The AUEW's submitted figure of 1,001,000 was looked upon with some scepticism when it was first tabled, but controversy grew when internal estimates put the figure at 944,055, even though AUEW officials stoutly *maintained* that a number of members in arrears with subscriptions had been omitted.

Suggestions are now being made as well, though, about the figures submitted for the Post Office Engineering Union and the Association of Professional, Executive, Clerical and Computer Staff.

The POEU suggestion looks the least likely of these, since the returns for the end of 1982 shows a rise in POEU numbers of 3,723, or 2.8 per cent, to take them to 136,551. The Apex figure, though, is down by 13,484, or 11 per cent, from 122,639 to 109,155.

This proximity to the *100,000* cut-off point, below which do not automatically gain General Council representation, is both leading to suggestions that Apex will fall below the line next year, and that given the sharp decline in engineering employment—the basis of Apex membership — to widespread suggestions that Apex's real 1982 figure may be even closer to the line than it is now.

Though it is the left-led unions, originally opposed to *the change* to automaticity, which are making most capital out of other unions' figures, the new inclusion of the now left-led POEU in the suggestions indicates that the feelings of unease might be spreading.

Mr Larry Smith, executive officer of Britain's largest union the Transport and General Workers', called openly yesterday for some form of scrutiny of unions' figures, independent of the unions' own claims.

He said: "I think the question of monitoring should be examined. Otherwise we are getting into a situation where somebody acts as a policeman and keeps reporting another union because their figures are wrong. In a situation like this everybody's figures become suspicious."

Mr Smith thought that either the independent Certification Office or the TUC could carry out the monitoring, though either would have to go well beyond their current practice of simply accepting the figures presented to them by individual unions. He thought that unions membership registers might have to be available for outside scrutiny.

The TUC's view so far has been that such a system is unnecessary, preferring instead to rely on dealing with individual unions when questions were raised against their figures. However, since the AUEW controversy, TUC officials have been asked to re-examine how membership figures could be subject to some verification.

Strikes in Scotland show fall

BY DAVID GOODHART, LABOUR STAFF

THE NUMBER of recorded disputes in the engineering industry in Scotland is this year set to hit the lowest level for more than a decade.

Figures released last week to the Scottish Engineering Employers' Association show the number of strikes for the first eight months of the year down to 23. That compares with 26 during the same period last year.

The year long figure may increase to about 40 with a number of pay negotiations imminent but that would still compare favourably with the figure of 49 for last year, 53 in 1981, 84 in 1980 and 123 and 1979.

The number of "other" disputes — primarily overtime bans—is also down from 29 for the first time eight months of last year to 22 this year. Similarly the number of disagreements that have not been resolved at local level is down from 253 to 230

The number of companies in the federation now stands at 360 — with a total of 70,000 employees — compared with 420 companies in 1980 employing 120,000 people.

Lt-Col *Harold* Jordan, director of the Scottish Association, said: "These figures are very encouraging and appear to be evidence of a new understanding from both employers and employees that jobs depend on profitability."

Figures from other parts of the country give a broadly similar picture with disputes in engineering either continuing to fall or remaining steady.

One exception is the area covered by the Engineering Employers Association of South Lancashire, Cheshire and North Wales — which includes Manchester — where the number of disputes has picked up quite sharply. *Last week the Association* said it was dealing with 1[illegible] different strikes the most in one week for some months.

Hotels chief on the hard-working road to diversity

Charles Batchelor *looks at the expanding interests of a businessman hit by the Amin purges*

MR NAZMU VIRANI, 35-year-old chairman of Virani Group, *one of the largest private hotel* chains in the UK, acknowledges that his growing involvement with publicly-quoted Belhaven Brewery will require a different approach to business.

On a recent surprise visit to one of his 19 hotels, Mr Virani discovered the manager had increased the price of a cup of coffee in the restaurant from 40p to 75p. "He explained that they only used the best coffee and the diner could have more than one cup, but I said they could not charge that much," he said.

"I was staying the night so I said it would have to be reduced by the morning. They put the price back to 40p there and then. With a public company there is more red tape. I won't be able to do that at Belhaven. We are educating ourselves as well. But my blood will heat if they don't change."

Mr Virani, who fled with his family from Amin's rule in Uganda 11 years ago, took his first stake in a public company when he bought an 11.5 per cent block in Belhaven in May. He has since increased his holding to nearly 15 per cent *and is* now the largest shareholder.

He says he has no immediate plans to increase his stake and does not see Belhaven as a way to bring his hotel and property interests on the stock market. But, in the long term, he does not expect to stop at 15 per cent and may go up as high as 29.9 per cent.

The recent announcement that Belhaven had agreed the sale of its loss-making plastic packaging subsidiary, Ashpoint, to its *management* marks the latest step in the group's climb back to health.

Mr Virani took a hand in the sale when he stepped in to match the original management offer of £450,000 and raised his bids, to match further offers, as far as £500,000 and finally £600,000 (with the prospect of a further £100,000 depending on profits) before he withdrew.

"The original management offer undervalued the company. I was genuinely prepared to buy Ashpoint, but by matching the management's offers, I secured a better price for Belhaven," said Mr Virani. "I want to protect my investment."

Belhaven, a small Scottish brewer based at Dunbar on the East Lothian coast, has had a chequered history. A series of boardroom rows meant the company had five chairmen in as many months during 1979, although Mr Eric Morley, former Mecca head and Miss World chairman, has remained at the helm for the past four years.

A series of unsuccessful diversification into plastic packaging and holiday camps made for a very uneven profits record in recent years and the company is only now extricating itself from these problem areas. However, profits before tax and extraordinary items, rallied to £183,000 in the year ended March 1983, from £4,000 the year before, and Mr Morley hopes to return to dividend payments after a four-year gap.

"I should be delighted if Mr Virani goes to 29.9 per cent," said Mr Morley, who together with his family, has a holding of nearly 2 per cent. "It was myself who got him interested in taking over the 11.5 per cent (previously held by Mr John Berkley, a former director) in the first place."

Mr Virani has joined the Belhaven board as one of its three non-executive directors and there are plans for a close business associate of his, Mr Ishaq Jacoob, a Dubai-based businessman, also to join the board in a non-executive role.

The Virani Group, which is run by Nazmu with his two younger brothers—*Zul*, aged 30, and Silu, 27—has already established close links with Belhaven. It has agreed to buy the Belplaya Hotel at Torremolinos in Spain for £1.9m. The Belplaya, which Belhaven bought in 1981 for £545,000 and the assumption of £632,000 worth of debts, did not fit happily into the Belhaven group.

Trevor Humphries

Mr Nazmu Virani: growth through 18-hour days

It was while looking for a possible purchaser of the Belplaya that Mr Morley first began the discussions with Mr Virani which led to him acquiring a holding in Belhaven.

Virani and Belhaven are also planning, subject to valuation and shareholders' approval, for the brewery to acquire the four British Rail hotels in Scotland recently bought by Virani. Virani would lease back the hotels and manage them, while providing a guaranteed outlet for Belhaven's beer.

The three Virani brothers and their parents did not flee from Uganda penniless and Nazmu concedes that the business contacts made while they built up their extensive African hotel property and construction interests were invaluable in getting started in Britain.

They were forced nevertheless to start in the almost traditional manner of many Asian refugees, with a grocery shop in Dulwich, which they developed into a chain throughout south London. They sold out seven or eight years ago.

Virani Group crowned the steady development of its hotel business with the purchase this year for £4.6m of eight of the 21 British Rail hotels which had been put up for sale.

Having begun with a couple of hotels in Victoria, London, the group now owns 19 hotels in the UK with about 2,000 beds. Abroad, it has the Belplaya and two jointly-owned hotels in *Miami. Further acquisitions will* soon take it to 2,500 beds.

Freedom group plans European Court move

BY BRIAN GROOM, LABOUR STAFF

THE RIGHT-WING Freedom Association plans to support the bringing of complaints before the European Court of Human Rights by people who lost their jobs between 1974 and 1980 for refusing to join union closed shops, but who been refused retrospective compensation by the Government.

The Employment Act 1982 empowered the Government to compensates people dismissed from closed shops during this period, if they refused union membership on grounds of conscience or deeply held personal conviction

So far 116 out of the 498 applicants have been paid a total of £521,180 But the Employment Department has rejected applications by 87 people.

The association is discussing with one of these, whose name has not yet been given, plans to *bring* a case *against the* Government before the Strasbourg court based on article 11 (1) of the European Convention of Human Rights.

This states: "Everyone has the right to freedom of peaceful assembly and to freedom of association with others, including the right to form and to join trade unions for the protection of his interests."

The intention, it is thought, is to argue that this person's union did not protect his interests. Complaints by other people are possible. The association believes that if it wins, it will establish the right not to join a trade union regardless of what the Employment Acts 1980 and 1982 or the Government says.

The association is currently pursuing two *industrial* tribunal cases designed to test the extent of the protection which the Employment Acts 1980 and 1982 provide for those who decide to leave *trade* unions where closed shops are in force.

TUC strengthens organisation

THE TUC is to strengthen its East Midlands organisation with the appointment of a full time secretary for its regional council.

He is Mr Patrick Quinn, 30, who *has worked in the* Organisation and Industrial Relations Department at the TUC's head *office* in London for four years. He will be based in Nottingham.

The TUC said: "The appointment is part of a national trend by the TUC to *improve* its organisation in the regions."

Obituaries

John Chalmers

JOHN CHALMERS, a former chairman of the Labour Party and a leading figure in the shipbuilding industry, died at his home on Tyneside yesterday.

Mr Chalmers, who led the Newcastle-based Boilermakers Society for 14 years, is thought to have had a heart attack. He was 68

He was a lay member of the Press Council and a well known figure in the Labour Party serving as national chairman in 1976.

Mr Chalmers, who served as a part-time member of the British Shipbuilders Board, le[illegible] the shipyard unions through the early years of nationalisation in the late 1970s

Mr Len Murray, general secretary of the TUC, said last night: "John Chalmers *made* a distinctive contribution to the work of the TUC and was always a doughty fighter for shipbuilding workers. Even in *his retirement* he *continued* to do a job on behalf of working people. He will be sadly missed."

Jonathan Hammond

FORMER National *Union* of Journalists President, Jonathan Hammond, has died in London aged 41.

He was a founder member of *the* union's *book* branch and worked at Penguin Books.

THE WEEK IN THE MARKETS

Shares scale new heights

LONDON

ONLOOKER

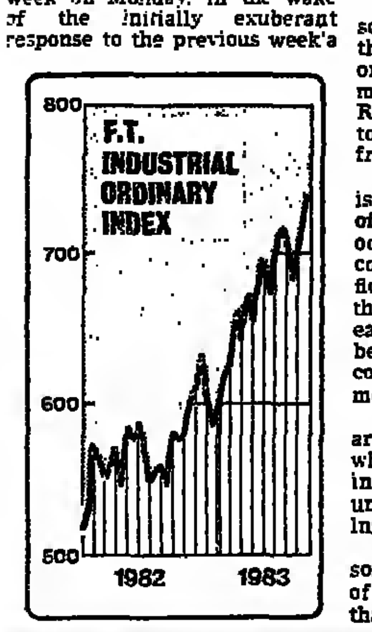
EQUITIES climbed new peaks in London this week as the FT-30 Share Index reached 738.9 and the All-Share climbed to 465.74 before falling back yesterday. Whether prices can withstand this rarefied atmosphere will depend to a large extent upon what assistance they receive from currency and interest rate movements on the other side of the Atlantic.

Better than expected U.S. money supply figures published ahead of last weekend gave new heart to share prices in Wall Street and London as hopes rose that interst rates might not increase further this autumn.

UK equity prices were given additional help from another series of good (or better than expected) company results, notably from the composite insurance sector. Unilever's share price rose 45p to 795p on Tuesday as the food and detergents group announced second quarter profits of £228m.

Special situations such as this while sentiment has been encouraged by some of the better corporate results and by recent slective purchases of UK stocks by North American investors.

The gilt-edged market reached its best levels of the week on Monday, in the wake of the initially exuberant response to the previous week's U.S. money supply figures. From then on, it was mostly a slow but steady trickle downhill. Enthusiasm was sustained long enough for the authorities to sell out their new convertible tap at a half point premium on Wednesday, but concern about the overall official funding programme and the unsettled U.S. debt markets kept a lid on gilt-edged prices for the remainder of the week.



Composite insurers

The composite insurance sector has taken off over the past two weeks with the first batch of half-yearly figures coming from the three U.S.-orientated composites — Commercial Union, General Accident and Royal Insurance.

The FT-Actuaries index for the sector which stood at 215.56 on August 9 ahead of the figures from CU and GA had jumped 11½ per cent by last Wednesday after Royal's report to 240.49.

Such a reaction may seem somewhat surprising even though the figures looked good on paper. Pre-tax profits of CU more than doubled to £30.4m, Royal's rose by more than half to £50.1m, while GA's recovered from £6.5m to £35.6m.

But most of this improvement is accounted for by the absence of bad weather this past winter on both sides of the Atlantic compared with the blizzards and floods of 1982. Indeed, other than the bush fires in Australia earlier this year, nature has been very kind to insurance companies over the past 12 months.

The figures reported this time are not yet back to 1981 levels, while the immediate situation in the U.S. is still gloomy with underwriting losses and operating ratios still climbing.

The market was looking for some good news and an absence of bad news and it certainly got that this time. The operations in the UK and Canada are looking very much healthier, while the chief executives were all optimistic that the long-awaited and oft postponed recovery in the U.S. is about to happen.

Grindlays new look

The long-running ownership saga at Grindlays Bank was finally resolved this week when Citibank took effective control of the bank through a complex share swap involving Lloyds Bank and the parent group, Grindlays Holdings. Under the agreement, Citibank will shift from having had 49 per cent of the unquoted Grindlays Bank to a similar stake in the publicly quoted Grindlays Holdings.

Lloyds Bank, which until now held 41.4 per cent of the holding company, now shifts to a more modest 21.3 per cent of Holdings. The share capital of Holdings is being doubled and although Citibank's stake will be 49 per cent, normally prompting a view at the Takeover Panel, it looks as though the panel will waive its right to examine.

Citibank had been trying to off-load its Grindlays stake for a year, but in June finally realised there were no takers anywhere. Lloyds Bank, for its part, seems glad to be out of the lacklustre UK-based international banking group.

And the Bank of England, which has been exercising only the gentlest moral suasion to get Grindlays' affairs sorted out, is well pleased. Finally there is a major bank which can provide some backing and strategic help for Grindlays, a bank with a muddled history ever since its Brandts merchant bank subsidiary became involved in the property problems of 1974-75.

Very little money is changing hands in the Grindlays deal. The holding company is paying a special 8p (gross) dividend in addition to its 1.25p interim and projected 3.125p minimum final. The special dividend will cost £2.72m, of which Lloyds walks away with £1.1m.

Do not pass go

In the last full week before the first closing date on Mr Robert Maxwell's £17m bid for John Waddington, the games and packaging group has managed to steal the initiative.

News that the group had achieved profits of £1.18m for the first four months of the current trading year gave unexpected substance to what many had seen as a far-fetched forecast of full-year profits stretching to £3m. Last year's profits were a mere £235,000, with losses in the two years before that.

The City also seemed inclined to believe Waddingtons when they said the improvement was due to rationalisation over the past 18 months rather than a purely cyclical upturn.

The real coup came on Wednesday, when chairman Mr Victor Watson announced that shareholders representing 46.2 per cent of Waddington's shares had assured him that it was not their "present intention" to accept the Maxwell offer, which comes from his 75 per cent owned British Printing and Communications Corporation (BPCC).

Despite protests from Mr Maxwell, it seems the statement was made with the blessing of the Takeover Panel.

This perhaps explains why Waddington's share price fell back on Thursday to 242p — more than 7p below the cash alternative being offered by BPCC.

Mr Maxwell claims to be anything but dispirited. He held 14.99 per cent of the company's shares before the bid was mounted, and has since won acceptances accounting for about 5 per cent of Waddington's shares. Added to the commitment by Norton Opax to sell their 4.1 per cent stake to BPCC when it backed out of the race almost two weeks ago, Mr Maxwell can claim to control about 24 per cent.

Brick uncertainties

TWO OF Britain's leading brick makers, London Brick and Ibstock Johnsen, were on the point of merging last December until the transaction was referred to the Monopolies Commission. The Commission duly reported this week and cleared the proposed deal.

So far, so good. But it quickly emerged that neither party is now very happy to talk to the other. The original deal was struck at an equivalent price for Ibstock of 96p but London Brick has not been slow to realise the Ibstock's share price and trading prospects have changed quite dramatically since last winter.

Ibstock has sold off its Dutch activities, hit by enormous over-capacity problems, and thinks that its loss-making U.S. activities are now under control. Above all, Ibstock has begun to enjoy a strong cyclical upturn in the UK housebuilding market. It is going to make good profits this year, probably a record, so the deal is a vastly more expensive proposition for London Brick than first envisaged eight months ago.

So will London Brick pay up on the basis of Ibstock's current £40m plus market capitalisation. The original bid, after all, was worth just £27m.

The erstwhile bidder still has a 4 per cent holding in Ibstock and a bid must still be a strong possibility, if not a certainty. The commission's verdict does give leave to other facing brick makers to look deeply at London Brick itself. Hanson Trust, which owns Butterly Brick, is thought to have built up a near 5 per cent interest in London Brick and may be inclined to make an offer.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord. Index	735.7	+13.6	738.9	598.4	All-time peak reached on Thurs.
Aran Energy	56	−15	71	9	Profit-taking after good rise
Atlantic Resources	465	−35	615	35	Awaiting Irish Sea drilling report
BL	65	+18	80	18	Privatisation hopes
Senlox Hldgs.	34	+ 8	50	23	Acquisition of TMK Civil-Eng.
Cons. Gold Fields	635	+62	635	475	Firm bullion
Gaskell Broadloom	87	+15	87	48	Interim results
Ingram (H.)	*300	+135	328	18	After Wasskon 65p bid
London Brick	86	+13	91	62	Bid speculation
Lucas Inds.	168	+ 8	175	124	Nitrotec process publicity
M.L. Hldgs.	270	+30	324	240	Optimistic annual statement
Oceonics Group	360	+50	407	300	Full listing and share placing
Parkfields Foundries	45	+19	55	8	U.S. buying
RTZ	657	+34	670	437	Interim figs. due next month
Royal Insurance	555	+40	572	425	Better-than-expected int. figs.
S.E.E.T.	85	+13	86	62	Confident interim statement
TACE	166	+39	170	21	Goring Kerr flotation plans
Victor Products	145	+33	170	112	Better-than-expected results
Whittingham (Wm.)	126	+12	126	50	130p per share bid from Comben

* Price at suspension.

Second-guessing

NEW YORK

RICHARD LAMBERT

FRIDAY afternoon at 4.15: a hush falls over Wall Street. Fed watchers grip their pencils, financial reporters regret their lunchtime excesses. A ping on the ticker, and out flood the weekly money supply statistics —which in today's highly charged atmosphere are the key to short term movements in security prices.

Everyone knows that it is impossible to predict weekly movements in these erratic figures, but that doesn't stop people from trying. With M1, the basic measure of money supply, running slightly ahead of the recently revised target (and way in excess of the old range), the market is desperately trying to second-guess any further tightening moves by the Federal Reserve Board.

The trouble is that it can't be done. A couple of weeks ago, the figures turned out to be a lot worse than the pundits had predicted: last week they were much better. For what it is worth, the market yesterday was anticipating that the latest figures would look respectable.

Last week's pleasant surprise helped to push the yield on the long bond down by more than a quarter of a point to 11.6 per cent in the following three trading days. This more confident mood washed through to the equity market, and by Wednesday night the Dow Jones Industrial Average had climbed by nearly 24 points, and was back over the 1200 mark. Then the debt market weakened, and so did share prices.

One feature of the past few days has been the continuing strength of the energy sector. The big international oil companies are being strongly recommended by several broking firms, and groups like Mobil, Exxon and Gulf have been moving ahead in active trading.

Analysts are taking a more bullish view on demand and prices than they have for some time. Salomon Brothers, for example, now says that the need for Opec oil, which averaged 16m barrels a day in the first half of this year, will rise to 17.7m barrels in the third quarter and to 19.3m barrels in the fourth.

Shares in the oil service companies are also recovering. Schlumberger is cropping up on several buy lists, and stands close to its year's high point at around $60. E. F. Hutton thinks it will earn $4.15 a share this year and $5.10 next.

On the downside, the airline group has been noticeably weak. Traffic and revenue growth in July was disappointing, and August's performance does not look much better—bad news for the weaker airlines, which were counting on a strong summer to get them through the bleak winter months.

Eastern said this week that it had lost $12m in July, compared with $7m a year earlier, and analysts at Oppenheimer downgraded their projections for the U.S. industry's profits. They are now looking for overall earnings of $306m this year and just over $1bn next, compared with a prior projection of $537m and nearly $1.3bn.

Although this would still be a big improvement on last year's heavy losses, it seems that the agonies of some ailing airlines may not yet be over.

Much the same applies to America's struggling machinery manufacturers. International Harvester reported a wider than expected third quarter loss this week, and Caterpillar Tractor officially abandoned all hope of making a profit in the current half year. Harvester, which is creaking towards another capital reconstruction in the autumn, is now valued on the market at roughly $270m, which is well below its recent speculative peak.

But there are some bright spots in the industrial sector: for example, in aluminium.

MONDAY	1,193.50	+10.67
TUESDAY	1,190.45	−3.05
WEDNESDAY	1,206.50	+16.05
THURSDAY	1,192.48	−14.02

The good news starts to flow

MINING

GEORGE MILLING STANLEY

THROUGHOUT THE past couple of years of recession, commentators on the mining scene have warned time and time again that the beginnings of recovery in the world's leading economies would not immediately be accompanied by better results from the mining companies.

Demand for metals tends to lag somewhat behind a resumption of growth in demand for manufactured products, and in the early stages of a recovery, industrial companies are reluctant to restore stocks to their previous high levels in case the upturn proves to be short-lived.

Shareholders in mining companies were also warned that they should not look forward to an immediate restoration of previous levels of dividend payments, and a rapid resumption of earlier patterns of regular increases.

A recession, especially if it is as deep and as prolonged as the one we have just experienced, has a dramatic impact on the capital base on which a mining enterprise is founded, and the highest priority as soon as better times emerge must be to repair the damage this erosion has inflicted. Only after this has been achieved can shareholders expect to receive the rewards their patience has earned them.

These cautionary words tempered shareholder optimism, and the market in mining shares lost much of its excitement during the spring and early summer.

The commentators had set the scene for a period of time in which mining companies would re-establish their profitability and resume the payment of modest dividends, with steady but unspectacular growth until perhaps the Middle of next year.

That, broadly, has been the picture this week, although some of the figures were better than had been expected.

Results in the better-than-expected category must include those of Energy Resources of Australia (ERA) and another Australian company, Peko-Wallsend.

ERA turned in net profits of A$37.39m (£24m) in the year to June 30, compared with A$37.86m in 1981-82, and has declared a final dividend of 5 cents. This makes a total for the year of 10 cents, compared with a single payment of 4 cents last year.

It should be pointed out, however, that the big Ranger uranium mine in the Northern Territory, which ERA runs, was effectively in operation for only nine months of the 1981-82 financial year, as the mine did not get into its stride until the commissioning of its Jabiru treatment plant on September 30. The improvement is therefore not quite as spectacular as it looks on the surface.

However, the tax charge for the latest period was A$55.97m, against a figure of A$7.72m in the previous year, as ERA has by now used up all the exploration spending which was available for offset against tax.

The tax charge is likely to remain high for the rest of the mine's life, but this should not prevent Ranger from being a highly profitable operation.

In this it has been helped by the actions of previous Australian Governments, which delayed the opening of the mine for some considerable time as a result of their misgivings about the uranium industry.

Contracts for the sale of the uranium oxide had already been negotiated, however, and at a time when the spot market price was much higher than when deliveries actually started.

Free market prices do have an influence on the levels at which long-term contracts are prices, whatever those in the industry would have us believe, with the result that ERA is receiving a better price for its product than would otherwise have ben possible in today's market.

Ranger still has plenty of potential, too. The mine's management said this week that output could be doubled to 6,000 tonnes of yellowcake a year at a comparatively small cost, if the new Labor administration of Mr Bob Hawke would allow the company to negotiate further sales contracts.

The Australian Labor Party has never tried to hide its opposition to the uranium mining industry, but there are many people in Australia who believe that Mr Hawke is by no means as firmly opposed as perhaps his supporters would like.

There is therefore a possibility that Ranger could be allowed to expand into the biggest uranium producer in the world, topping even the Rio Tinto-Zinc group's Rossing operation in Namibia.

A task force is due to present a report to the government next month on the whole quesion of uranium mining.

Peko-Wallsend would no doubt be delighted if this should come to pass. The company owns 30.5 per cent of ERA, and this holding was by far the biggest contributor to profits in the year to June 30.

Net profits came out at A$18.29m, against a loss last time of A$13.18m, and Peko's own operations contributed just A$1.39m of this figure.

The company declared a final dividend of 5 cents a share, the only payment for the year as the interim was omitted. This compares with last year's single payment of 1.5 cents.

Higher profits and dividends were also reported this week by South Africa's Impala Platinum Holdings, part of the Gencor group.

Net profits for the year to June 30 amounted to R67.3m (£40m), 13 per cent higher than for the year before, and the final dividend was raised to 60 cents, making a total for the 12 months of 85 cents against 75 cents.

While encouraging in themselves, these results are nowhere near as good as those of the rival Rustenburg Platinum Holdings reported in the previous week. It is still not clear whether Rustenburg's changed pricing policy, abandoning the fixed producer price in favour of moving more closely in line with the free market, has enabled the company to increase its market share at the expense of Impala.

Another South African group to report its results this week also made higher profits, but has taken the opportunity to increase its dividend cover rather than making a higher payment at once.

Gold Fields of South Africa made net profits of R175.8m in the year to June 30, one-third higher than in the previous year, but has maintained its dividend total at 500 cents with a final payment of 320 cents.

This should have come as no surprise to shareholders, as Mr Robin Plumbridge has said repeatedly that the cover of 1.6 times that this payment gave last year was inadequate, and would have to be improved as soon as the opportunity presented itself.

The dividend cover has now risen to 2.2 times, and Mr Plumbridge said that this takes into account the relatively weak state of the current weak gold market.

TIN OUTPUTS COMPARED

	July 1983 tonnes	June 1983 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal of Nigeria (columbite)	†	†	†	(†)	†
Amal of Nigeria (tin)	†	†	†	(†)	†
Aokam	67	81	67	(1)	128
Ayer Hitam	79	100	79	(1)	120
Berjuntai	191	199	526	(3)	782
CRM Sri Timah	Nil	0½	84½	(7)	369
Geevor*	91	87	324½	(4)	†
Gopeng	126½	98½	1,289	(10)	1,494½
Kinta Kellas	21	18	87½	(4)	145½
Malayan	513	477	2,866	(6)	4,253
Pahang	53	73	632½	(12)	1,021
Petaling	111½	104½	1,338½	(9)	691
Rahman	77½	77½	77½	(1)	75½
South Crofty‡	†	†	†	(†)	†
Sungei Besi	52	54	218	(4)	316
Tanjong	10½	14	50½	(7)	69½
Tongkah Harbour	25	40	25	(1)	24
Tronoh	35	62	270	(7)	314

* Figures include low-grade material. † Not yet available. ‡ Tin metal in concentrates. Outputs are shown in metric tonnes of tin concentrates.

U.K. CONVERTIBLE STOCK 20/8/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Con-version dates§	Flat yield	Red. yield	Premium† Current	Premium† Ranges‡	Income Equ¶	Income Conv○	Income Diff◊	Cheap(+) Dear(−) Current
British Land 12pc Cv 2002	9.60	297.50	333.3	80-97	4.1	0.9	3.8	−4 to 8	28.8	84.7	19.5	+13.7
Hanson Trust 9½pc Cv 01-06	31.54	246.50	107.1	85-01	4.0	1.1	−0.4	−6 to 1	103.3	73.5	−11.4	−11.0
Slough Estates 10pc Cv 87-90	5.03	216.50	234.4	78-84	4.6	—	−38.4	−9 to 2	11.5	4.8	−2.8	+ 5.7
Slough Estates 8pc Cv 91-94	24.72	103.00	97.3	80-89	7.9	7.7	4.6	5 to 14	27.5	32.3	4.8	+ 0.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ○ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♦ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

YOUR SAVINGS AND INVESTMENTS—1

Pooling of shares for CGT

Could you tell me, does the obligatory pooling of stocks and shares for capital gains tax purposes extend back beyond Budget Day 1965, or are such investments still on a first in first out basis? Also could you indicate to me how I could obtain a set of rules covering CGT for stocks and shares, completely updated?

The rules introduced by last year's Finance Act are outlined in a free leaflet CGT12, which should be available at your local tax office. Unfortunately, the 1982 CGT rules seem to have confused the taxmen who drafted the notes for this year's tax return forms, and the consequent correction slips are not as helpful as they should be.

In relation to shares etc which were quoted on a recognised stock exchange on at least one day in the period from April 7 1959 to April 6 1965, inclusive, pooling is still prohibited for Budget Day 1965 holdings (as it was from March 20 1968 onwards) unless the appropriate election has been made under the 1968 rules, or such an election is made now (if the time limit has not yet expired) under paragraph 4 of schedule 5 to the Capital Gains Tax Act 1979. In the absence of such an election, Budget Day 1965 holdings are now deemed to be disposed of last (with effect from April 6 1982) and, when all subsequent acquisitions have been exhausted, are to be dealt with on a last-in-first-out (LIFO) basis.

In relation to unquoted shares (ie shares etc which did not have a quotation at any time in the six years up to April 6 1965), pooling is still obligatory (a) if there was a reorganisation or takeover before Budget Day 1965 (but after the original acquisition) which falls within paragraph 14 of schedule 5 to the CGT Act, or (b) if there has been a relevant part disposal (eg a sale of rights) for which a Budget Day 1965 election was made under paragraph 12 of that schedule or under the corresponding provisions of the Finance Act 1965.

This is not the whole story: if you need more precise guidance, please come back to us.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Avoiding a tenancy

I refer to your reply on "Avoiding a tenancy" (May 14), as I am not clear whether the procedure adopted originally by your correspondent is legally sound. Would an agreement to let land, for grazing only, avoid the creation of a tenancy with statutory protection if it covered a period of only 360 days, followed by another agreement covering the next 360 days, and so on? Could this arrangement for payment be incorporated in the original agreement or must the tenant physically vacate the land for 5 days, thereby giving him no assurance of continuity? Would your answer be the same for a 364 day period?

Whether the periods used are 360 days or 364 days, a succession of tenancies of land which is let for grazing only, where each tenancy is limited to that period, will prevent statutory protection arising even if the tenant does not vacate between one period and the next. This has recently been re-affirmed in the Court of Appeal: South West Water Authority v Palmer: The Times, May 9, 1983

Action in case of fraud

I refer to your reply under Action in case of fraud (February 5) in which you wrote that the six year limitation period ran from the time when the fraud was or ought to have been discovered by the plaintiff. Am I to understand that if a writ was served, say, a year ago when it was just within the limitation period, it is still possible to take proceedings on it, or must another be issued?

You can proceed on the writ which has been served, but you cannot (effectively) issue another writ if the six-year limitation period has now passed. If nothing has been done on the existing writ for over one year you must serve a notice of intention to proceed (Order 3 Rule 6 of the Rules of the Supreme Court) and this could provoke an application to strike out your proceedings for want of prosecution. In any case you should prosecute any existing action diligently if you are to avoid such an application; for, if successful, an application to strike out would put an end to your prospect of recovering any damages in any action.

Access to a house wall

Our neighbour's garden comes right up to the back wall of our house.
Have we any legal right of access to that wall for such purposes as cleaning windows, clearing gutters and painting the wall?

Unless such rights as you mention have been exercised for more than 20 years, or both properties were sold by the same vendor and yours was sold first, you will not have those rights.

The height of a hedge

Further to your reply on April 23, would you please define briefly the law in Scotland in regard to private householders in a new estate who plant trees such as laurel and Cypressus leylandi very close to the boundary wall? The former will eventually grow large and spreading and the latter can grow to 40 feet high, both with 6-8 inch diameter trunks. In my case laurel has been planted as close as six inches from the foundations of my wall and Cypressus is already 20 feet high, depriving me of light. There is an eventual problem of overhanging, loss of light, impoverishment of soil by roots and possible damage to wall foundations. The feu conditions imposed by the former Burgh Surveyor, from whom the fues were purchased around 1970-72 stipulated garden walls of a particularly porous type of concrete brick (tending to disentagrate by frost and moss) not less than 2 feet 6 inches high and not more than 3 feet 6 inches high.

In Scotland the right of property in land entitles the proprietor to the free and absolute use of that property subject only to the restrictions which may be imposed by statute, *common law* and for the protection of his neighbours. (A proprietor may also be limited by the conditions in his Title Deeds or any rights created in favour of others).

The law of nuisance is designed to protect a proprietor's comfortable enjoyment of his land and it is clear law that one proprietor may be restrained from otherwise lawful operations on his land if they inconvience or interfere with his neighbour's enjoyment of his property.

From the circumstances you describe, it may be inferred that the use and enjoyment of your property is being disturbed and the planting of the bushes and trees which you allege now deprive you of light constitutes a "nuisance."

If this is the case, your remedy would be to raise an action of *interdict against* your neighbour and before embarking on such a course, we would strongly advise you to consult a solicitor to apprise him fully of the facts.

It may well be that there are title conditions regulating the planting and growing of shrubs and bushes within the Title Deeds of the estate which would be binding on all proprietors. However, if this is the case and your neighbour breached those conditions, the action against him would lie at the instance of the Superior who could, as a result of this breach, irritate the feu.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Wither the wilting gilt?

A look at index-linked government securities and other low-risk investments with inflation at a 15-year low

WHEN EVEN the least risky of all the securities to be traded on the Stock Exchange suffers a 7 per cent fall in its price, private investors may be tempted to regard their bank or building society as the only secure home for savings they can't afford to lose.

The return of a second Thatcher administration committed to keeping inflation low has caused the popularity of the 1988 index-linked gilt-edged stock to wane. But its near-100 per cent inflation proofing still gives it several advantages over conventional gilts—and over its cousins on the other side of the family, the low risk investment media.

With its tax attractions and a redemption date only five years away, the 1988 2 per cent *index-linked gilt is the only* Government security to number amongst its holders more private investors than institutions—at least 75 per cent of the total according to Bank of England figures. A total of £1,000m of stock has been issued over the last 17 months.

Index-linked gilts were first issued in March 1981, although private investors had to wait a year before being permitted to hold them. The Government, the first of any major industrialised country to introduce inflation-proofed bonds, did so in the belief that their financing costs would be lower than those of conventional gilts, if inflation could be brought down.

In their first two years, *index-linked gilts* were *widely* viewed as providing a hedge against the possibility of a return of a Labour government committed to a reflationary, and supposedly inflationary, programme. But since that prospect has been removed, the price of index-linked gilts has fallen.

Many stockbrokers believe however that the price is likely to rise again later this year, as inflation creeps up. Roger Bootle, chief economist at stockbrokers Capel-Cure Myers, said: "Most people have forgotten what inflation was like three years ago.

"They regard it as a thing of the past, although they know it is likely to increase. But there is *nothing like actually seeing* it happen to cause inflationary consciousness to build up again."

Most private investors do not hold index-linked gilts in the hope of being able to sell them again at a profit in a few months. Their real attraction is that they can be locked away for years in the knowledge that when their redemption date arrives, they will represent more or less the same amount of *purchasing power as they do* today. (For reasons of administration and marketability, the indexation stops eight months before the redemption date.)

In the meantime, interest is paid in equal instalments of 1 per cent every six months, and these also go up in line with inflation. As compensation for such ultra-low interest payments, the value of the underlying capital will rise substantially over the life of the gilt.

At today's depressed prices, the increase will be at a rate about 1¼ per cent more per year than the rise in the Retail Price Index.

The combination of low interest and relatively high guaranteed capital growth makes them attractive to high-rate taxpayers — particularly as no capital gains tax is payable on the profits from gilts held for more than a year.

Stockbrokers Phillips and Drew have calculated what inflation rate will give the same total post-tax return (interest and capital gains together) for the 1988 2 per cent index-linked gilt and the most comparable conventional gilt, the Transport 3 per cent 1978-88 stock, using Thursday's market prices.

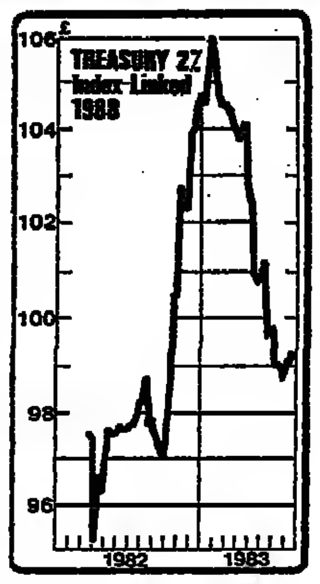
	%	%	%
Personal tax bracket for investment income	30	50	75
Break-even inflation rate	4.0	3.7	3.4

If you expect the average inflation rate for the next five years to be higher than the "break-even" figure appropriate for your tax bracket, then go for the index-linked.

Private investors however, generally steer clear of conventional gilts, which for the last 20 years have been volatile and risky investment, do not represent the main alternative to index-linked gilts. A more realistic comparison is with other virtually risk free investments such as bank or building society deposits, money market funds or index-linked National Savings certificates. All of these offer predictable real returns after adjusting for inflation.

For basic rate taxpayers, deposit accounts have the edge at present. But they will no longer do so if the gap between interest rates and inflation narrows.

The *attractiveness* of index-linked National Savings Certificates has been boosted by a 2.4 per cent annual bonus. Taxpayers facing the top marginal rate of 75 per cent will find them slightly more attractive for the time being, although holdings are limited to £10,000 per person.



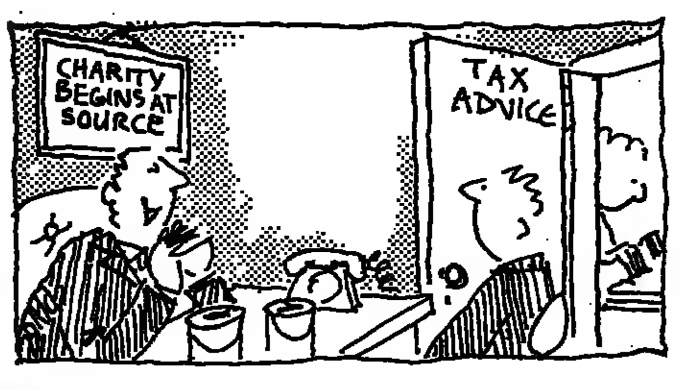
For taxpayers in a bracket below 75 per cent but above 30 per cent, the 1988 index-linked gilt is probably the most attractive ultra-low-risk investment, provided it can be held for at least three to four years, when the fluctuations in its price will die away as the redemption date approaches.

● One qualification: All the low-risk investments mentioned above are currently outperformed on a post-tax basis by the offshore sterling "roll-up" funds managed in the Channel Islands by City merchant banks. No income tax is payable on the interest rates they offer—at least until the Inland Revenue gets round to dealing with them.

The 1988 2 per cent index-linked gilt-edged stock may be purchased through your local post office.

Clive Wolman

YOUR SAVINGS AND INVESTMENTS—2



TAX AVOIDANCE

Abuse of charities

DAVID COHEN reports on how the professional loophole-spotters are exploiting the tax concessions to encourage philanthropy.

THE TAX avoidance industry has been swift to uncover loopholea in the tax breaks granted to charities which have been enlarged by the Government during the last three years.

Some of the schemes outlined to lawyers and accountants at a recent seminar on charities and tax organised by Oyez, the legal services company, show that "tax-planning" is still alive and kicking despite a series of tough court decisions in favour of the tax man.

It is not only the shadier operators who have been exploiting the privileges enjoyed by charities for their own purposes. Even a large and respectable Insurance company like Abbey Life has used charities in one of its complex capital transfer tax avoidance schemes.

Most of the conference was devoted to explaining the more innocent schemes designed merely to ensure that gifts for charitable or quasi-charitable purposea take full advantage of the recent tax breaks.

Robert Maas, a partner in West End accountants Casson, Beckman, explained how a high-rate tax payer who gives financial assistance to impecunious relations could benefil from concessions in the 1980 and 1983 budgets. If he makes a standard, non-charitable covenant in favour of his relatives, he will receive tax relief on his donation, but only at the basic 30 per cent rate. Thus his relatives will receive, for example, £5,000, a year at a cost to him of only £3,500.

A more attractive alternative, however, is to set up a private charity whose object is to help his poor relations, with himself as trustee.

If he then covenants to the charity £5,000 a year, he will obtain relief on the gift at his top marginal tax rate. If this is 75 per cent, the cost to him will be only £1,250 per year, with the Inland Revenue effectively paying his relatives the remaining £3,750. The restriction that the recipients should be "poor" is interpreted fairly liberally.

But other schemes outlined at the seminar were designed purely to reduce the tax bill of the "donor" with little or no benefit accruing to any charity.

One of the cheekiest, explained by tax consultant Geoffrey Newman, turns on its head a legal provision introduced by the Inland Revenue which aimed to clamp down on a different tax avoidance scheme. One of the targets of the provision was the case where a father sold to his child—a student paying no income tax—some asset such as a block of shares—and reserved the right to re-purchase it at some future date. His aim would be to ensure that the dividends were taxed at the child's low tax rate rather than at the father's rate, which would be much higher.

Thanks to the anti-avoidance provision, the Revenue now taxes the income as if it were the father's, thus killing off the scheme.

But suppose a higher-rate taxpayer were to arrange for a charity to purchase an asset and were then to purchase it himself from the charity giving the charity the option to re-purchase it after a specified period. Then, although the taxpayer would be owning the asset and receiving the income, Newman suggested that the same anti-avoidance provision would oblige the Revenue to treat the income as if it were the charity's.

And a charity is generally exempt from paying income tax. Result: the taxman gets nothing.

Though most established charities would not be willing to take part in such a scheme, any individual may set up his own "captive" charity—with himself and his wife as trustees—and provided it is registered *with the Charity Commissioners* it will have the same tax advantages as any other charity.

Robert Maas outlined another scheme designed to enable a company, even a small private one, to sell an asset whose value has soared, without paying capital gains tax. The company sets up a charitable company as its wholly-owned subsidiary and sells the asset to the company for its full market value. The rules on transfers between connected companies defer any liability to CGT until a sale by the subsidiary.

When the subsidiary sells off the asset to an outsider, it would normally be liable to pay CGT on the gain made by its parent company as well as on its own gain. But because it is a charitable company, it is exempt.

Laymen should be wary of using either of the last two schemes for themselves or their companies. The courts have been clamping down on the more artificial tax avoidance schemes over the last 2½ years. The judges would doubtless look for interpretations of tax law which would allow them to strike down such ethically dubious schemes which appear to pervert the concept and possibly the legal definition of a charity.

Threats to the price of your home

A man on the inside of the market predicts the end of housing as a long-term investment

HE LIKES to put things in a way that'll shock you, this *building society* economist I know—and his timing is exquisite.

I met him in his office just after I'd arranged a mortgage with my bank manager for a new flat. But before I'd finished telling him the details, he cut me short.

"Housing as a long-term investment is finished," he announced. "I'm living in a little house in south London in an unfashionable area with a council estate close by. It can't be worth more than £30,000."

£30,000 for a man in his position with secretaries and intercoms? He could probably sell his office for £30,000. He must earn more than that in 12 months.

"I quite like the area," he confided to me. "I don't want a bigger house because it'll mean that all the family will come to stay every weekend.

"If you say you want a big house because that's what you want to spend your money on, then OK. But the investment aspect of housing has disappeared."

A bit eccentric, this economist. I doubt if most people put so much emphasis on "the investment aspect" of housing.

Still, I'd better keep listening. If the man's right and soon we're all going to be waving our title deeds on our doorsteps, begging passers-by to take them off us for a few hundred pounds, then maybe I shouldn't be wringing an extra £1,000 out of my bank manager to buy a flat for several times my annual salary.

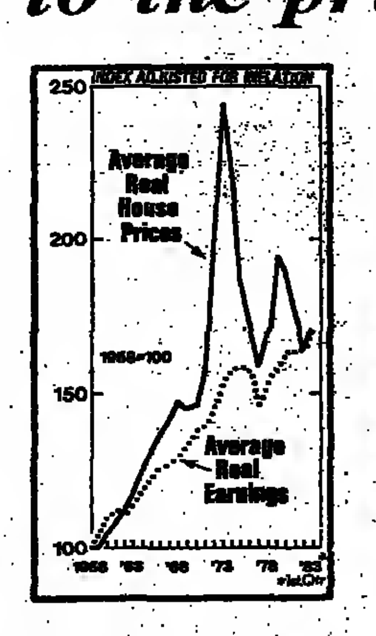
"But housing has been a good investment for as long as anyone can remember," I say. "*Nationwide is forecasing a 10 to 15 per cent rise in prices this year.* And what about the tax relief on mortgages? What about the Property-Owning Democracy?"

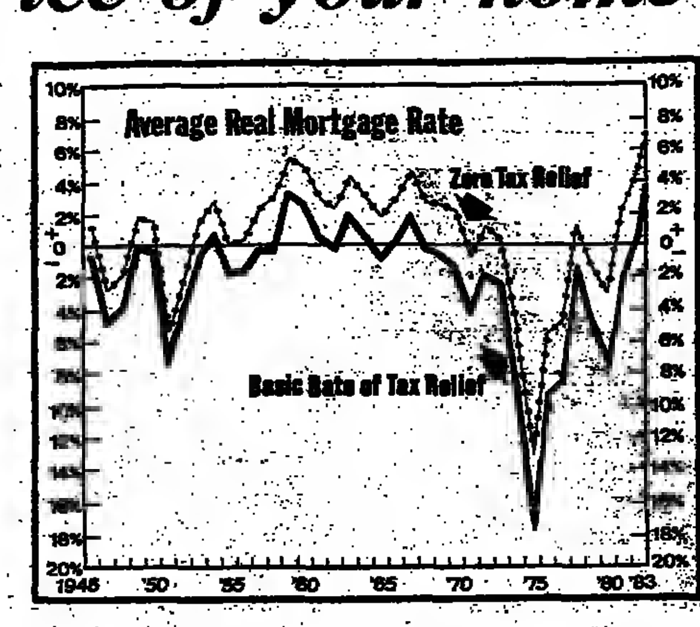
The man smiled wearily. "It's only because you continue to get your mortgages paid through supplementary benefit that the housing market has not collapsed already as it has in most countries," he said.

"But the real crunch is going to come between the end of the decade and 1995," he said. For the next few years, more and more people are going to want houses, he explained. And the house-building cycle is now picking up to meet that demand.

The trouble-makers to watch for, however, will be the boom babies of the early and mid-1960s. These boom babies have already grown up and soon they will want to buy Nice Little Places All of Their Own. They will take over the cheaper dwellings, letting their occupants take over larger ones and so on up the housing ladder.

But by the end of the decade, the boom babies will want to move up themselves — or get married and give up their own places. By then, however, as





any unemployed primary school teacher will tell you, there will be no more boom babies to take over.

At the same time the divorce rate may stop rising, and there'll be no more immigrants or children of immigrants to house. The housing ladder will start to tumble.

Another possibility, although our building society economist is sceptical, is that industrialised building techniques and technology will improve and spread around more rapidly.

Houses will become cheaper to build, better designed and more energy-conserving. And we will be stuck with our old-fashioned *1950s, '60s* or *'70s* style homes, unless we knock down the prices.

The other reason our economist is a bear about the housing market is that he believes inflation *will stay low* throughout the decade.

"When the stock market slumped in the 1970s, people believed the house was the one investment that would protect them against inflation," he says. "And this belief was self-fulfilling when everyone started buying houses, and pushing up the price."

In the 1960s and 1970s, housing had an advantage over other investments in that it was exempt from capital gains tax. But since last year, tax has been imposed only on capital gains greater than the inflation rate. The threshold for imposing CGT has also been raised. So the exemption for housing is no longer as important.

Nowadays also *it is expensive* to borrow money on a mortgage. In fact in real terms, after allowing for inflation, it is more expensive now than ever before in the past 50 years (see graph).

In the mid-70s nominal interest rates were as high as 12½ per cent. But inflation was higher still, so that the real value of your debt was almost wiped out within a few years. Today you're going to have to carry a heavy debt around with you for a long time to come.

Also lower nominal interest rates in the 1980s mean less tax relief and therefore a lower government subsidy for owner occupation. The failure to raise the £25,000 limit on mortgage interest tax relief for nine years has also reduced the subsidy. This year's rise to £30,000 has not helped much.

As our building society economist says, "It has pre-empted a more radical increase. There is no longer much enthusiasm for tax relief among economists, newspapers or even politicians."

In fact the Alliance and Labour parties are considering a policy of abolishing higher rate tax relief on mortgages if not all tax relief.

These changes, actual and possible, don't mean only that it's becoming more expensive to borrow to buy a house. They will also depress housing prices as people will not be able to afford to borrow so much.

That is the argument of the building society economist. And the other people I asked who know about these things in banks and universities make similar points.

If you're lucky and spend on maintenance and repairs, your house price should keep up with inflation, over the next ten to 15 years, they say. But don't expect any more.

Professor *Alan Evans* and Paul Cheshire of Reading University's Faculty of Urban and Regional Studies go along with the view that the days of housing booms are over. Cheshire believes that some of the planning constraints on builders will soon be removed.

"The climate is coming right for a radical change in the planning system," he says. "More land will become available and house prices will fall—particularly in the south-east, where there is so much pressure on space."

But the experts believe that in most periods people do not buy homes as investments, even if they rationalise spending too much money on a house by persuading themselves that it should go up in value. I went ahead and bought my flat anyway.

Clive Wolman

UNIT TRUSTS

When the $ falls

Managers of American funds seem confused about how to protect clients' investments against currency moves, reports CLIVE WOLMAN

SMALL INVESTORS with *money* across the Atlantic have been watching nervously this week as the U.S. dollar fell back against the pound, following a aeries of statements by economists that it is seriously over-valued.

They face a dilemma. Wall Street has resumed its upward rise as the U.S. economic recovery accelerates. But any stock market gains are likely to be wiped out if the dollar nosedives.

So should U.S. share and unit trust holders take their profits and leave?

Unit trusts have another option—to lock in the currency profits that have been made over the last three years by hedging against a fall in the dollar, while letting the profits on their U.S. shares continue to run.

The *method* used to protect the investor from currency fluctuations is to take a "back-to-back" loan.

Instead of buying dollars with the money his clients give him, the unit trust manager puts it on deposit and borrows the equivalent amount of dollars which he uses to invest in Wall Street.

The mechanism is complex. But what matters is the result of hedging: If the dollar falls you won't lose, If it rises you won't gain.

For the first time since exchange controls were lifted in October 1979, the question of whether to hedge the currency risk has become a major topic of conversation among unit trust managers.

Excuse me, mister, where can I hedge my U.S. dollars?"

The U.S. fund managers of Save and Prosper, the largest unit trust management group, and of Allied Hambro, the third largest, have been holding daily discussions about whether and when they should hedge against the dollar risk.

Here is a survey of the varying attitudes of a few of the leading groups:

M & G: If you're worried about a fall in the dollar then sell your units in M & G's funds, because the fund managers aren't going to do anything to protect you.

Director David Tucker explains: "Our unit-holder knows he has bought U.S. equities invested in dollars. He knows he will be fully exposed to the market and the currency. We do not believe that the average investor is sophisticated enough to believe anything else."

Schroders has a similar view to M & G but its fund managers are prepared to hedge if they are convinced that the currency in which they are invested is about to fall. "But we have seen nothing of that nature in the dollar yet," says director Colin Dyke.

Barclays Unicorn recently hedged its America Trust when the pound dipped below $1.50, but only by 40 per cent of the currency risk. Its trust deeds prevent it from hedging more than 50 per cent.

Save and Prosper, Allied Hambro and Hill Samuel all have their fingers twitching nervously near the trigger ready to hedge when they judge the dollar is about to fall substantially. Save and Prosper hedged nearly a year ago and lost out on dollar profits. Now they are more reluctant.

Allied Hambro has a better record. It was hedged through most of the dollar's last long-term fall against the pound between 1978 and 1980 and removed the hedge near the bottom. "There's a lot of luck involved," said one fund manager. "But we have to hedge when necessary."

GT and Framlington, two of the youngest and most successful groups on the unit trust scene, have also been embarrassed by hedging the dollar at the wrong time over the last year. GT's U.S. funds were 80 per cent hedged in June but the hedge was removed when the dollar strengthened.

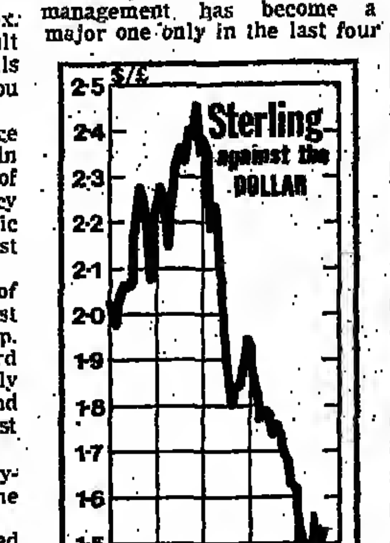
Like most UK fund managers, director Antony Dick believes the dollar must weaken in the longer term. "But the problem [...] currencies right," he said. "It is a game in which a lot of people have lost their shirts."

Two of Framlington's overseas funds are hedged at present, by about 40 and 60 per cent against the dollar. But as director Tim Miller admits, "We have lost money by hedging over the last year."

Currency movements are notoriously difficult to forecast, and the exchange rate between sterling and the dollar, *is among* the most difficult of all.

An analysis of currency forecasting services, published in June by the City University business school showed that most of the services would have done better if they had relied on tossing a coin.

The problem of currency management has become a major one only in the last four



years, since the lifting of exchange controls and the soaring popularity of overseas funds. And several unit trust analysts and advisory services believe that the managers have not yet thought through all the implications.

For example, none of the groups attempts to measure the extent to which the performance of their overseas funds is a result of currency *movements* rather than stock selection.

Several fund managers also claimed this week that the regulations did not permit them to use an alternative, and often cheaper, method of hedging—by selling the foreign currency forward. In fact this method was approved by the Unit Trust Association and the trustees who supervise unit trusts in March 1980.

No unit trust has yet been prepared to come clean and say: "Our ability lies in spotting under-valued companies and we have no special skills which make it likely we can beat the currency markets. So we are offering you a chance to invest in the U.S. (or Japanese or Australian) economy without taking on board the currency risk by running a fund which remains fully-hedged at all times against currency fluctuations."

M and G goes half-way by admitting it cannot manage currencies. But this means that the unit-holders in its three U.S. trusts are exposed to a risk, sufficient to turn a profit on the share portfolios into a major loss, over which the fund managers have no control. The unit-holders may as well invest half their money into a hedged U.S. fund and put the other half on the horses.

M and G claims unit-holders invest in the U.S. because they believe the dollar is going to rise. Other management groups claim the opposite—unit-holders don't really believe they can forecast what is going to happen to the dollar and want a professional to make the [...] other groups make clear what their philosophy is in their promotional literature.

A decision analyst, Jacques Pezier, of Investment Intelligence Systems, has spent most of the last two years advising City institutions on managing risk. He sees the attitude of unit trust managers as part of the conservatism of the City.

"You have to distinguish between the risk to the fund managers and their jobs and the risks to their clients," he says. "The least risky approach for a fund manager is usually to do what has always been done and what everyone else is doing. But that may be the most risky approach for the clients."

A fund manager in one of the largest unit trust groups confirmed his view. "If I hedge and get it right, no one will really understand," he said. "If I hedge and get it wrong, I'll be in big trouble."

SAVINGS OFFERS

	Page
Hill Samuel Fund Managers (Jersey) Ltd.	1
Warburg Investment Mngmnt. (Jersey)	

Three computer designed cars

MOTORING

STUART MARSHALL

THEY ARE all under 12 feet long, seat four people and make a gallon of petrol go further than would have seemed possible only a few years ago.

Two are Japanese, one is Italian. They were designed by computers, are made partly by robots — and are all quite different in looks, customer appeal and in the way they drive.

The three cars I am referring to are the Nissan Micra, Daihatsu Charade and Fiat Panda Super. I drove all three in quick succession recently.

The Micra's main claim to fame is that it is at present Britain's most economical car, with an official 67.8 mpg at 56 mph, 46.3 mpg in the urban cycle and 46.3 mpg at 75 mph. My use of the Micra was too brief to make a realistic consumption check but I would put money on handsomely exceeding 50 mpg on a long journey.

Its brand-new all aluminium 988 cc engine bas an overhead camshaft and is linked to a five-speed gearbox in the £4,150 GL, a four-speeder in the £3,750 DX. There is an automatic option: the GL two-pedal costs £4,450.

If Aspreys ever decided to go into the motor business, they would make an engine and transmission like the Micra's. It is a little jewel of a power peck: a shining example of how good a small engine and five-speed transmission can be.

In all honesty, it makes the Metro's A-series engine and four-speed box seem out of date but BL *may* take comfort from having much better rear suspension than the Micra, which joggles over rough roads and even patters sideways if brutally cornered.

The Micra GL's gearing is perfect. On the motorway, it strides along with minimal noise at 80 mph and will show 95 mph on the speedometer, still without mechanical fuss, on a downgrade. Both fifth and fourth are overdrives. You need fourth on long motorway gradients; it is good for a genuine 80 mph.

The shift is precise and finger-light. The transmission is silent, there is little wind noise and the steering is quite effortless.

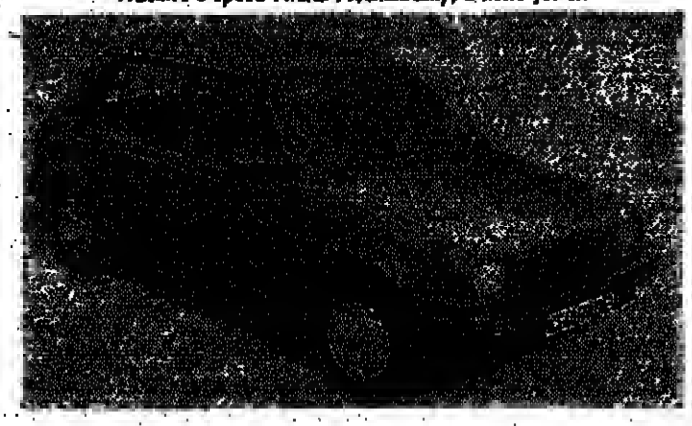
Very wide doors make the rear seats surprisingly easy to enter and leave and there is room in them for full-sized people, providing the front seats are not shoved back for a couple of six-footers. My wife loved the carefully colour-matched interior and the family Labrador approved of the low rear sill.

The Daihatsu Charade (from £3,649 to £4,199) can't quite match the Micra's fuel consumption but its 62.8 mpg at 56 mph and urban cycle 42.8 mpg are remarkably good.

For the ultimate in economy, the Charade diesel, due in Britain in a few weeks, promises to make even the Micra look like a gas-guzzler. The Charade bas e three-cylinder engine which makes a funny fluttering noise when it starts end is a bit growly at times but runs as smoothly as a four-cylinder at anything over 2,000 rpm.

It took time to get up to 80 mph in fifth but felt as though it would hold this speed all day long, with tha engine running at less than 4,000 rpm. The five-speed gearbox is in the Micra's class; a semi-automatic is a £300 option.

Nissan's 5-speed Micra. Mechanically, a little jewel.



Three-cylinder Daihatsu Charade. Tall, trim and cheerful.

To allow a £200 push-button operated alectric sunroof to ba fitted without reducing headroom, the Charade's roof has been raised by about two inches. Though I am over six-feet, I could sit bolt upright without getting near the headlining.

It is a proper little quality car inside, with excellent controls and instrumentation, and distinctively styled. The flush-fitting wheel covers are fashionable and practical. The Charade has sharp handling, rides well and has considerable charm.

My wife said she found it such a cheerful little car she expected it to burst into song at any moment.

The diesel reminded me of one of those little men one meets who have astoundingly deep voices. I had expected it to be rough but at low speeds pulled better than the petrol engine and was smoother than some four-cylinder diesels at over 35-40 mph. No other car will be able to approach, let alone match, its pence-per-mile fuel figure.

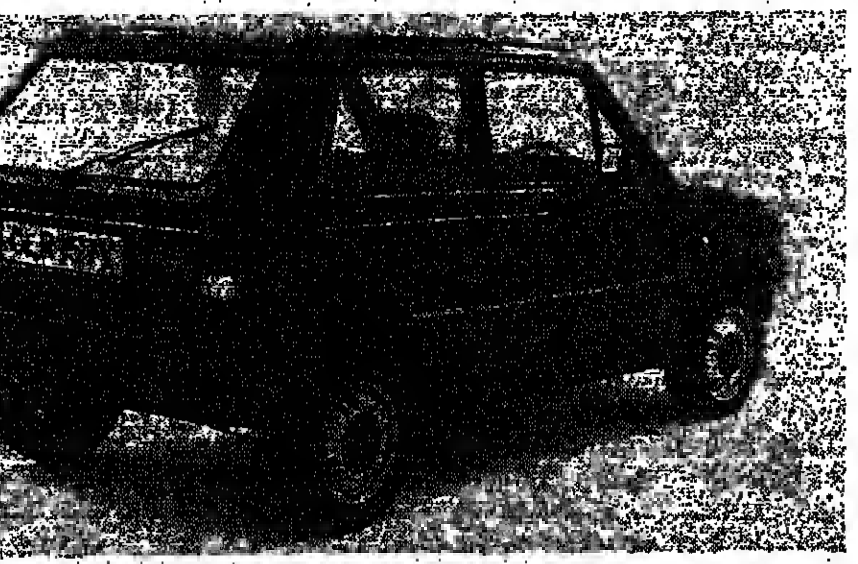
Nearly half the 11,000 Pandas sold in Britain last year were bought as second cars and 50 per cent of Panda drivers are women. Its custom here is up-market though it was created for budget-conscious Italians.

It appeals for its earthiness rather than its sophistication. The front and rear screens are of flat glass and there is hardly a curve in the body panels either.

There is ample ground clearance for non-damaging driving on goat tracks and by fiddling with some sharp-edged plastic mouldings the rear seat may be folded down or removed altogether to make room for the goats inside.

The Panda reminds me of the Renault 4. It is more of a consumer durable, a piece of household equipment, than a traditional kind of motor car.

The Super version I drove (*£3,190 compared with £2,995* for the Comfort, which continues to be available) has slightly more elaborate, though still uniquely adaptable, seating and a five-speed gearbox



Fiat Panda Super. A consumer durable more than a car.

Bloomsbury's rustic hide-away

BY JUNE FIELD

"HUNGRY FROM our walk we sat at the square table and ate slice after slice of white bread and butter, drinking milk from the farm," 64-year-old artist Angelica Garnett says.

She is describing her childhood at Charleston, 17th century farmhouse in East Sussex where she lived with her mother and father, Bloomsbury Group artists Vanessa Bell and Duncan Grant, who made it their home in 1916. The kitchen is the oldest part of the house, through which the postman, the rabbit catcher and farm hands came and went."

This gentle rustic ambience still sums up the appeal of that attractive section of East Sussex roughly between the county town of Lewes and Eastbourne.

Angelica's half-brother, Quentin Bell (writer, sculptor, potter, sometime professor at Leeds and Sussex universities and author of the biography of his aunt Virginia Woolf), is chairman of the Charleston Trust which has raised £½m to restore the farmhouse.

"The roof and drains have been set to rights, and work to the damp-courses and the main structure under way," explains Professor Bell, who is looking for "more cash, suggestions and ideas to help save Charleston." (To become a Friend of Charleston, send £5 to Hon. Secretary, Deborah Gage, 26 Sheffield Terrace, London, W8.

Professor Bell, 72, and his art historian wife Anne, have just sold their Tudor house, Cobbe Place, Beddingham, originally part of Viscount Gage's Firle Estate. (Firle Place, originally built for Sir John Gage, vice-chamberlain to Henry VIII, was also the home of General Gage, Commander-in-Chief of the British forces at the beginning of the American War of Independence.)

The Bells are refurbishing another property on the Firle Estate, which they hope to move to in October. The sale of Cobbe Place, on offer in the region of £140,000, was made through Humbert's of Lincoln's Inn new office at 23, High Street, Lewes.

John Husband, a partner in the firm, tells me that business is extremely brisk, and that the really interesting properties are selling fast. Listings include Drawfield Cottage, converted from two farm dwellings, overlooking Firle Beacon, £79,500, and Kingston Manor at £300,000, whose 1537 wing was built from stones removed from Lewes Priory after the dissolution of the monasteries by Henry VIII.

Horsted Place, Uckfield, East Sussex, is only being sold because of the death last summer of Lord Rupert Nevill, treasurer and private secretary to the Duke of Edinburgh. The Tudor-style gothic mansion was built in 1850 at a cost of £16,816, and is now expected to sell in excess of £650,000. The gardens, which are open to the public, were created by Lady Rupert Nevill together with landscape architect Sir Geoffrey Jellicoe. Brochure from Dennis Burn, Strutt & Parker, (01-629 7282), or Geoffrey van Cutsem, Savills (01-499 8644).

Charleston Manor, West Dean, in 68 acres on the Downs near Alfriston, has been called "a perfect house in a perfect setting" (*Pevsner's Sussex*). Originally mentioned in the Domesday Book and recorded as belonging to William the Conqueror's Cup Bearer, more recently it was the home of the lete Sir Oswald Birley, portrait painter.

A couple of years ago it was bought by oil man Paul Bristol of KCA International, who kept the beautiful gardens open to the public. The manor went on the market in May around £500,000 through Anthony Wardell, Knight Frank and Rutley's Hanover Square, W1, office. The sale to another British businessman, at a figure substantially above the one quoted, was completing on Monday.

Another Sussex success story was the Old Rectory at Newick, which was sold well in excess of the £300,000 expected. It went to an Englishman returning to Sussex.

"This 'specially English' part of Britain is also particularly popular with ex-patriots returning home," KFR's Patrick Ramsey says, agreeing that the desirability tended to keep prices high.

For my property tour I stayed at Southover Place, Burwash, originally built around 1887 by Bernard Whelan as a church and St Joseph's School for the Salesian Order of Monks. The last monk to make his home there, Father Thomas, died not so long ago in his 80s and is buried in the churchyard with his brethren.

Kingston Manor, in about 4½ acres in the village of Kingston, near Lewes among the South Downs, is listed Grade II and of Tudor origin. The property includes workshops, paddocks and a gazebo. Details John Husband, Humberts, 23 High Street, Lewes, Sussex (07916 78828), who is asking £300,000.

The church has been demolished, and the school, with its 1935 additions, converted to elegant self-catering apartments by engineer and builder Michael Ramsden and his wife Fay who have created a retreat where you can swim, ride or play snooker.

The pair have just sold their cottage, The Old Brew House, Brown Bread Street in nearby Ashburnham, opposite the Ashtree Inn, of which they used to be the landlords. They now live at Southover, in a smart apartment converted from the pupils' old washrooms.

It costs around £100 to £200 a week to rent a one, two or three bedroom apartment (which will sleep six), well kitted out with everything from sheets to velvet-covered chairs to a micro-wave cooker and e hair-dryer.

When I was there residents included a couple from Alicante, spending a month or so visiting family, and a jumbo jet pilot from Hong Kong. He was doing up a farmhouse nearby, and hired a helicopter to commute to it, landing on the lawn outside my window.

For a leaflet on summer lets and winter breaks (from October 28 it costs £50 for a weekend or four days midweek, £78 the whole week), contact Michael and Fay Ramsden Southover Place, Spring Lane, Burwash, East Sussex (0435 882445).

The sweet taste of old Mauritius

TRAVEL

A. L. KOENIG

THE TROUBLE with paradise islands with golden beaches and waving coconut palms is that they get quickly spoilt as their *governments*, avid for tourist earnings, or hasty developers, clutter their coastlines with large hotels or apartment blocks that do not blend into the landscape. Mauritius has luckily avoided those scars.

Sugar is its main foreign currency earner and tourism provides only a useful end growing complement. As a result the island's 100 miles of beaches and its considerable beauty were carefully and steadily developed, mainly et first by local interests and then gradually by selected foreign concerns.

One of those, the Southern Sun Hotel chain, has created on the east coast the most exciting resort hotel of Mauritius: the Saint Geran. It is named after the ill-fated ship which foundered on the reefs off the island in 1744 and inspired the famous novel of the French writer Bernardin de St Pierre, *Paul et Virginie*. The hotel's design fits in imaginatively with the spectacular Belle Mare beach, the gardens and the surrounding lagoon. The hotel provides almost every kind of watersport, including snorkelling, fishing, glass bottom boating, windsurfing and waterski-ing. But its claim to distinction is its fine but unobtrusive service and the quality of its cuisine, which offers the best of Creole, Indian and Chinese cooking. The chef, Barry Andrews, and the resourceful manager, Paul Jones, have distilled their culinary lore in a book, "*A Taste of Mauritius,*" which all cooks interested in exotic dishes should have on their shelves.

Not far from the St Geran and along the east coast is another distinguished hotel, Touessrok, which has the most spectacular drive, lined by bougainvillea bushes, of any hotel I know.

But what distinguishes Mauritius from other islands in the sun is the extraordinary variety of climates, flora and scenery in an island the size of Surrey. The north and west [illegible] more different from the breezier *east coast and the south coast* pounded by big ocean swells. They also have excellent hotels, such as the Club Mediterranée in Grand Baie, the yachting centre of Mauritius, the chalets of Trou Aux Biches and the garden village of La Pirogue at Wolmar (named after Rousseau's *La Nouvelle Heloise*) on the west coast. Nearby is the sheltered Tamarin Bay—well known to surfists, especially Australians, for its mighty rollers—which has a charming and relatively inexpensive but well managed hotel.

Le Morne Plage, Mauritius

One of the island's most attractive spots is the Morne peninsula in the south west with the Morne mountain on one side and lovely beaches sheltered by casuarina trees on the other. Two hotels, Le Meridien and Le Morne Brabant, provide most conceivable attractions to the tourist, including tennis, golf and horse riding. They also give free *membership* of the Beachcomber Club, which entitles their guests to free sporting facilities on land and water as well as free hotel interchange within the Mauritius Hotel [illegible]

One of the island's outstanding attractions is skindiving in the beautiful coral gardens of the lagoon. The well established club for local amateur divers, the Mauritius Underwater Group, is a valuable source of information. Mauritius offers also some of the best big game *fishing in the world. Giant* marlin up to 1,000 lb can be hooked closer to the shore than in most other places in the world.

Another major attraction is beachcombing early in the morning when the tide has left behind a rim of exquisite shells and corals.

Mauritius has sometimes been called the land of rainbows, shooting stars and waterfalls and its appeal lies not only in tha coastal scenery but in its countryside and inland towns dotted with the elegant old [illegible] instance, a charming racecourse at the Champ de Mars in Port Louis, the capital, encircled by a picturesque violet mountain range, where I spent a delightful day at the races. Seven miles from the capital are the famous botanical gardens of Pamplemousses which should not be missed. They were founded by the famous 18th century French botanist, Pierre Poivre, who brought back from the Far East various rare tropical plants and trees, including the tallpot palm which flowers once every 100 years and then dies. The [illegible] sugar factory as it existed in 1853.

Several waterfalls are startlingly beautiful but my favourite is Chamarel, in the south west, where the waterfall emerges from the moors and the primeval vegetation. Nearby are the coloured earths of Chamarel, *undulating* mounds stretching in contrasting layers of colour.

Thus in spite of its small size Mauritius has so many attractions that two weeks' holiday is not enough to cover them all. Organised tours of the island's beauty spots are organised by the Mauritius Travel and Tourist Bureau and other agents. A single day's excursion costs about £9 and self-drive cars are available at £20 per day.

To have the taste of Mauritius right from the start I recommend Air Mauritius, the national airline, which provides an excellent weekly service to the island. The multi-racial cabin crew have a warmth and friendliness peculiar to Mauritius and serve delicious, piping hot Creole dishes on the flight.

● With the inevitable rise in air fares Mauritius is probably best visited by joining a group tour. Air Mauritius has weekly flights from Heathrow on Sunday returning Friday and tour prices for a fortnight at some of the best hotels on the island (half-board) range from around £800 [illegible]

Sailor King

BY A. L. ROWSE

King George V
by Kenneth Rose. Weidenfeld and Nicolson. £12.95. 514 pages

George and Elizabeth: A Royal Marriage
by David Duff. Collins. £9.95. 240 pages

In these democratic days everybody likes reading about royalties, and almost as many seem to like writing about them. Kenneth Rose's book has had an almost rapturous, hardly critical, reception. The praise is entirely justified for a book without a trace of flunkeyism, unlike the Victorian and Edwardian treatment of monarchs, comical to us these days. Indeed, Mr Rose is always incisive, and quite outspoken when need be; a master of his materials, a reliable historian, he is also uncommonly stylish and elegant.

He begins concisely: "George V confounded every doubt." And this sums up his life and reign: he made an unimpeachable constitutional monarch, and earned the considered respect with which this biography treats him. Without the immediate rapport which his genial, naughty father, Edward VII, had with crowds, George V won through to widespread popularity and even devotion, as a father-figure by the end. No one was more surprised than himself; for, though conscious of regal dignity — "We are set apart," Queen Mary used to say — as a man he was essentially modest.

Modesty is not all that a virtue: the somewhat hysterical enthusiasm for his glamorous eldest son had not the depth or solidity of the respect for the father—and George V never suspected the feeling the nation had for him, until towards the end.

The sense of *duty* was the clue to it. That was the quality by which the Hanoverian line kept the throne, when the Stuarts lost it. George V's last years were overshadowed not only by illness but by the waywardness and levity of his heir. He estimated that Edward would lose the throne in a year. Exactly right. Charles II gave his brother James three years to lose it. Right again.

Not at all a sensitive man, it was precisely his sensitiveness as to the position of the throne that accounts for what is a new contribution to history in the book: the King's reluctance to have his cousin the Tsar and his family brought to Britain for safety after the Russian Revolution. Hitherto, poor Lloyd George has borne the blame—Lord Stamfordham: "Well, I suppose one suspects Lloyd George of things which one would not suspect in another man." When monarchs were toppling all round, and revolutions all over Europe, it would have been a ticklish business to have had the Russian Imperial family here. Of course, the King had no idea of what would happen—but why couldn't they have taken refuge in nearby Sweden?

The most controversial episode in the reign remains the formation of the so-called National Government in 1931. It was the King's doing. Ramsay MacDonald was his favourite Prime Minister. Three times he tried to resign, but the King over-persuaded him. It was natural enough that he should want to retain the semblance of national unity, in a financial crisis which we should consider small beer today. But the effect was disastrous on the Labour Party, which needed above all things to learn responsibility in government. During the 1930s there was no effective Opposition in Parliament: the "National" Government could do virtually what it liked—and the result was to be seen in 1939. . . .

For so conventional a man the King's independence of mind was remarkable. "What fools we were not to have accepted Gladstone's Home Rule Bill for Ireland," he said. How right he was; and although this is hindsight, it showed far more sense in the matter than the Tory Party had done at the beginning of his reign.

Again, under the quarter-deck jokes there was a kind heart, and underneath the bantering manner, great good sense. While some of the politicians had wavered in 1914, the King said to the American ambassador: "My God, Mr Page, what else could we have done?" That got the essence of the matter in a sentence.

Mr Rose does not quote that, nor the King's sad saying at the end that he hoped nothing would come between "Bertie and Lilibet (George VI and Elizabeth II) and the throne." In the event, only the hysterical episode of Edward VIII's year, 1936, did. Really, we should put up a statue to Mrs Simpson for paving the way for the succession of a far more suitable couple.

George VI succeeded to his father's overwhelming sense of duty, lack of this is what Queen Mary reproached Edward with, when at last he asked for her straight, unvarnished opinion. Of course George VI was made by his happy marriage and family life, to which Mr Duff devotes his sympathetic book in the right spirit.

Everyone in the wide world, beyond the seas as well as at home, knows the present Queen Mother's extreme charm—her particular contribution to the family. As a private man, George VI had charm and a ready sense of humour, too. And the couple had royal courage. As a young man the King had served at Jutland. And in the hour of gravest danger, 1940, neither of them was daunted. I like to think of the Queen Mother, practising with a revolver, with "I'm not going down like the rest of them."

George V when Duke of York and some of his children at Sandringham. From left to right: Prince Albert, Princess Mary, Prince Edward and Prince Henry, from Kenneth Rose's biography

Fiction

Year of Yashoda

BY MARTIN SEYMOUR-SMITH

The Ivory Swing
by Janette Turner Hospital. Hodder & Stoughton, £7.95. 252 pages

Slouching Towards Kalamazoo
by Peter de Vries. Gollancz, £7.95. 241 pages

The Big March
by Allan Prior. Hamish Hamilton. £8.95. 316 pages

Ellis Island
by Fred Mustard Stewart. Hamish Hamilton, £8.95. 396 pages

Janette Turner Hospital was born in Melbourne, Australia, in 1942; but for some time she has lived and taught in Canada. She began to write in 1975, but this is her first novel. It received the Seal Book Award in Canada, awarded for a first novel. *The Ivory Swing* is on that most difficult of themes, India, and it was written from first-hand experience: Ms Hospital travelled there with her husband in 1977 on a research trip — during which she has said that she was disgusted both by the exploitation of servants (she refused to employ any) and by the rigidity of the Indian class system.

The Ivory Swing is about a Canadian couple who go to southern India on a research sabbatical. They find themselves engulfed in the slow, stultifying pace of life: and things become crucial when they make friends with Yashoda, a widow whose emotional life and freedom is made impossible by what is, by any standards, the atrociously unnatural rigidity of family law.

The wife cannot help seeing in Yashoda's plight a reflection of her own, although that is less obvious and less dramatic. There are tragic consequences, which, until the very end — which is not really resolved — are presented with psychological accuracy and aptly matching atmospheric detail. The India Ms Hospital saw is finely evoked. The tragedy of Yashoda herself is beautifully handled, and remains in the mind.

The treatment of Juliet, the female protagonist from Canada, is altogether less certain: didacticism, however justified, can never take the place of the imagination, and, although the author's intelligence maintains psychological conviction at an intellectual level, she does not make it quite as easy as she might for us to see in what way Yashoda's plight reflects Juliet's at the emotional level. This is in spite of the fact that Juliet's first apprehensions are impeccably presented.

So, judged on a high standard, *The Ivory Swing* does not quite deliver what it promises. Ms Hospital is described as a "superb stylist" but here, in fact, she is at her most weak. Her metaphors are frequently blurred, as when Juliet wonders if she was born at a time when "colliding stars" were "competing for the same orbit." (Careless, because whether stars can be said to compete for orbits or not, they are past it by the time they have collided: in general Ms Hospital is not very convincing about Indian astrology.) Sometimes her language is banal. But despite these faults, she makes an impressive debut in a book which manages to say something important and revealing about India.

Peter De Vries is less a novelist than a humorist who uses novels as vehicles for his unquestionably original comic view. His books give English readers (with whom they are very popular) an odd-angled but nonetheless valuable view of certain aspects of American life. These aspects are invariably treated with supreme irreverence.

Slouching Towards Kalamazoo describes how the sex revolution got under way in North Dakota when a very young, backward boy got his teacher "into trouble." There is a splendid cast of characters (Mr De Vries is excellent at presenting entirely realistic characters, pretending that they are caricatures — otherwise readers would accuse him of exaggeration), with some conversations as comic as anything in the author's 20 novels. Mr De Vries remains America's leading humorist—though his good temper should not cause the unwary to suppose that he has nothing serious to say.

Allan Prior is best known as one of the founder writers of the still-remembered BBC series *Z Cars*: he was responsible for some of its earliest and best scripts. He is a competent, although unimaginative, novelist, usually on topical themes. *The Big March* is not one of his better novels. It takes advantage of two extremely topical themes: nuclear disarmament and what is called feminism.

The "big march" of the title brings together the far left and some "well-meaning liberals." The novel adds nothing to the debate about the siting of missiles to England, or to the situation of well-meaning liberals, and the romantic aspects of the novel are banal, and without interest. This has to be accounted a failure, though the writing is quite crisp in its unartistic way: and nothing happens that might not happen.

Fred Mustard Stewart's *Ellis Island* is rightly described as being about "the passions that made America great." It makes no pretensions to avoid high *kitsch*, and does not do so. The narration, about five young people who came to Ellis Island at the beginning of the century, moves at a brisk pace, and for those who have no interest in psychology, it makes compelling reading. There is some valuable sociological and historical detail, even if the author makes no concessions to complexity. For those who enjoy historical sagas, this is the perfect book for a holiday.

Janette Turner Hospital: Canadians in India

Dying of the light

BY SARAH PRESTON

The Handyman
by Penelope Mortimer. Allen Lane. £6.95. 199 pages

"A superfluous nuisance with no authority" is how Phyllis Muspratt describes herself half way through Penelope Mortimer's new novel. This author has special skill in charting women's lives—remember all those babies in *The Pumpkin-Eater*?—and here she brings her disturbing insight to bear on the sixth if not the seventh age.

In form *The Handyman* is schematic. We have not one ageing lady but two. Phyllis, the genteel widow from Surrey is matched in the village of her retirement by Rebecca, a much divorced, burnt-out novelist. Whereas the lonely widow longs for the vicar to call and for an ordinary, social existence, Rebecca is a recluse: fiercely devoting her days and diverting her creativity into subjugating her garden.

The psychological predicament of each of these opposite women is painfully real. Particularly convincing are their relationships with their children who are now in their thirties and totally absorbed in the complex dramas of their own lives but still in a way dependent. There are other people in the story, the sinister handyman of the title, who first brightens and then threatens Phyllis's future by recognising her sublimated sexuality, and the hoover boys up the road, but they are aids to the plot rather than interesting in their own right.

Sometimes the novel teeters on the brink of becoming merely a trendy tale of our times, as if it were fashioned for magazine serialisation, but it is redeemed by the strength of the portrait of Phyllis who faces difficulty and evil with common sense and modest courage, enabling others to find a path back to life. *The Handyman* is by turns perceptive, funny and moving, worth reading by those at an earlier stage of the cycle.

Return of Richard Hannay

BY BRIAN AGER

Combined Forces
by Jack Smithers. Buchan and Enright. £7.95. 245 pages

Richard Hannay, Bulldog Drummond and Berry and Co are names to bring a nostalgic look to the eyes of people of a certain age. And with the help of film and television they are enjoying a revival in popularity.

They were worthy of being called heroes. They have been resuscitated in this adventure story set in the 1950s.

Age has withered them and the reality of arthritis and the fear of heart attacks limit their activities. So does the lack of lucre which has caused them to seek a more easily affordable life style in the sun of Portugal.

They still cannot resist the call to action. Would you believe a plot to restore King Zog to the Albanian throne? That is what our aging heroes get involved in, plus another adventure in Austria.

All of this is wrapped up by Jack Smithers in an amusing, understanding novel. He has taken the characters of these heroes of old and developed them in a thoroughly believable way. The bones may creak a bit, but the brains tick over well. Mr Smithers has produced a delightful book with what his adapted heroes would probably have called "style."

Sad spouse

BY NIGELLA LAWSON

The Importance of Being Constance: A Biography of Oscar Wilde's Wife
by Joyce Bentley. Robert Hale, £5.75. 160 pages

Mrs Oscar Wilde: A Woman of Some Importance
by Anne Clark Amor. Sidgwick & Jackson. £8.95. 250 pages

There can be nothing worse than being the wife of a self-acclaimed genius. This status led Mrs Oscar Wilde to be overshadowed, denigrated, and then forgotten. Apart from the barest biographical information, there is not much documentary evidence about her; most letters were destroyed or stolen in the pandemonium following Oscar Wilde's conviction.

Born Constance Mary Lloyd on January 2, 1858, into a moderately distinguished family, she had an early introduction to scandal despite an ostensibly conventional background: when a child, her father, a lawyer, was charged with indecent exposure. According to Robbie Ross it was for "exposing himself to nursemaids in the gardens of the Temple," but there was talk of it being for some homosexual offence. (Although this was by the altogether less trustworthy Frank Harris.) At any rate, her parents' marriage was not a happy one, and any educational stimulus and affection in her upbringing was in her relationship with her brother, Otho. By the time of her engagement in 1883 she was considered accomplished, well-educated (especially for a woman at that time) and cultured; a fitting choice for the remarkable young Oscar Wilde, and a promising "Chatelaine of the House Beautiful."

Both those biographies set out to vindicate the discredited Mrs Wilde, who has often been considered an unprepossessing Victorian beauty, *tout court*. As one would expect, they are both virulently anti-Bosie. However, given the lack of evidence, it is not surprising that there are differences in authorial opinion.

Joyce Bentley sees her heroine as a self-willed "modern" Victorian, capable of mastering her own destiny, who realised her husband's homosexual relationship with Lord Alfred Douglas but chose not to confront him. For Anne Clarke Amor she is "essentially a romantic figure": a gentle, mild-mannered beauty, plunged into a life rather too fast for her, whose naive ignorance of her husband's behaviour did not undermine her loyalty to him during and after the scandal which, in Wilde's words, shocked the (eminently shockable) Victorians "beyond their highest expectations."

On Ms Bentley's side of the story, it is difficult to trust someone who classes Whistler as a poet, Dante as a Romantic. Her style does little to redeem her narrative vagaries. I cannot help baulking at the inelegance of her prose: an ungainly display of mixed metaphors, breezy familiarity and repetitiveness. She attempts a sensitive and interpretive study of Constance, but it is hard to have faith in improbable conversations which are "recorded" without references.

Mrs Oscar Wilde, A Woman of Some Importance is a far more convincing and sympathetically written account of an extraordinary life: lyrical, dramatic, ultimately tragic.

Of course Mrs Wilde is never going to be centre-stage for long—her husband hogs the limelight—but it is a pity that a book about her, by a woman, concludes that "her proper role in life was simply to be Mrs Oscar Wilde."

Anyone who has read her son's heartwringing account of his early years and life, *Son of Oscar Wilde*, by Vyvyan Holland, will find little here that is new in the wretched story of Constance's moral and physical upheaval, her flight with her children to the continent and her efforts to hide the truth of their father's sudden disappearance from her sons. But although it seems obvious that his book provided anecdotal material and biographical evidence for his mother's chroniclers, it is not a question of simply retelling his story: paucity of existing information ensures that little new can reliably be said.

Mr Olympics

BY K. NATWAR-SINGH

My Olympic Years
by Lord Killanin. Secker and Warburg. £9.95. 238 pages

In 1950 Lord Killanin was elected President of the Olympic Council of Ireland. For the next 30 years, he was part of the Olympic scene, gradually climbing up the Olympic ladder. He finally made it to the top in 1972 when he succeeded Avery Brundage as President of the International Olympic Committee. His eight year tenure as President was crisis ridden. Munich (1972), Montreal (1976) and Moscow (1980) produced monumental administrative and political problems. Sport was dragged into politics and the very future of the Games was in question. Lord Killanin gives a lively account of these three Olympics and exposes the unworthy machinations of high-powered fixers and operators.

What saw him through was his total dedication, his Irish wit, his sense of fair play and a good deal of luck. That the Moscow Olympics were held at all is a tribute to his tenacity and his refusal to be browbeaten by the high and mighty.

Lord Killanin traces the development of the modern Olympic movement from its inception in 1894 to 1980. Baron Pierre de Coubertin revived the Games in 1896. He was a visionary and a minor prophet. He once wrote:

"Athleticism can occasion the most noble passions or the most vile . . . . one can use it to consolidate peace or to prepare for war."

In recent years the Olympic movement has been used by some powers for political ends. Massacre at Munich, walk out at Montreal and boycott at Moscow, all but destroyed the Games. The author is unsparing in his criticism for former President Carter, the British and Australian Prime Ministers, who did their utmost to have the Moscow Games cancelled or postponed unless the Soviets withdrew from Afghanistan. The President of the I.O.C. stuck to his guns and the Moscow Olympics were held, but only 80 countries participated. While politics had not triumphed, serious damage was done to the Olympic movement. The sporting careers of many athletes were destroyed—surely a gain for no one.

Lord Killanin's comment sums up the wide-spread feeling

"The games were joyless. Too often we were thinking of the missing people, wondering and weighing what might have happened."

Through this book we also get to know much about Avery Brundage who was IOC President for almost two decades. He was a forceful, if somewhat out of date character. His lengthy shadow (even after he had handed over to Killanin) across the movement did not make life easy for his successor. Brundage sowed the wind; Killanin reaped the whirlwind.

Lord Killanin: jumping the gun

Lives and letters

BY ANTHONY CURTIS

Some giants of modern European literature have been re-examined in recent books: the author of *The Brothers Karamazov* by John Jones, Professor of Poetry at Oxford, with close attention to the Russian texts, in Dostoevsky (Oxford £15.00, 365 pages); Colette in a new biography by Joanna Richardson (Methuen, £12.95, 276 pages); Proust in a perceptive essay by Derwent May in the Past Masters series (Oxford £7.95 — £1.75, paperback — 85 pages).

C. P. Snow is not in the same league as the above but he still has his admirers as a novelist. Before he died he submitted to an intensive interrogation concerning his life and works from the American scholar John Halperin; the resulting tapes which settle many questions of character-identification are published in full in C. P. Snow: An Oral Biography (The Harvester Press, £18.95, 273 pages).

Material about Margaret Mitchell, author of *Gone With the Wind* is harder to find; her surviving relations covered her tracks pretty well, but this has not prevented Anne Edwards from uncovering them in her revealing book, The Road to Tara: The life of Margaret Mitchell (Hodder and Stoughton £9.95, 370 pages).

"Monty" James, the ghost story writer, led a quiet cloistered celibate life; but as Michael Cox shows in M. R. James: An Informal Portrait (Oxford, £14.50, 268 pages), it was not without its crises which arose largely through the internal politics of Eton and King's College, Cambridge. James was Provost of both in his time, and wrote his ghost stories in his leisure. His main work was scholarship, the study of stained glass windows, Norman fonts and suchlike.

James would surely have been interested to see A Collection of Ranter Writings from the 17th Century (Junction Books, £12.50 or £5.95 paperback, 278 pages), edited by Nigel Smith, because it makes available to the ordinary reader for the first time some stunning devotional prose. Clearly Bunyan was not the only apologist capable of writing with down-to-earth intimacy while burning with inner fire. The Ranters were a group of extremist pamphleteers who flourished in the three years following the execution of Charles I in 1649. Only comparatively recently has their importance for history and literature been recognised by Christopher Hill and others; and now Mr Smith has enabled us to see for ourselves what all the fuss was about.

Charles Lamb was never a ranter even though he was a master of the prose of enthusiasm. His life and work make a perfect subject for Lord David Cecil in A Portrait of Charles Lamb (Constable, £9.95, 191 pages); one of the most elegantly written and elegantly produced books to come my way these past few weeks.

Two new collections of letters shed much fresh light on two former cult figures of modern literature; they are The Letters of John Middleton Murry to Katherine Mansfield edited by C. A. Hankin (Constable £9.95, 394 pages) and Selected Letters of André Gide and Dorothy Bussy edited by Richard Tedeschi ...

Killings

By William Weaver

The Heirloom by William Haggard. Hodder and Stoughton, £7.95, 192 pages

William Haggard's Colonel Charles Russell ("late of the Security Executive") makes his fellow-Colonel Blimp look like a wild-eyed radical. Russell has firm views on every subject, chiefly on the subject of foreigners (he is a charter member of the "Wogs begin at Calais" school); and he is often an unpleasant bore as well as a snob. Usually, however, Mr Haggard's stories are so cunningly devised and so well executed that even a leftist reader might overlook his hero's racist side for the sake of enjoying the plot. But this time somehow it doesn't work. The story has no suspense, no mystery; it is simply a series of unconvincing events happen...

HOW TO SPEND IT

by Lucia van der Pos

SUMMER IN THE CITY

TOM BURNS

LOUISE KEHOE

RUPERT CORNWELL

In the second of our two-part feature, three more of the FT's foreign correspondents reveal favourite aspects of the cities in which they live and work. This week, Madrid, San Francisco and Rome.

MADRID

"August is the nicest month to be in Madrid"

TOM BURNS

THE nicest type of Madrileño would like to throw walls around Madrid, like those of Toledo or Avila, during August and keep the city gates firmly closed on September 1 when the rush-hour crowds return from the coastlines and from the mountains. August is the nicest month to be in Madrid.

It is certainly hot. In summer Madrid heat by mid-afternoon will hit the passer-by like a shimmering club but it is dry heat and in the early morning and in the evening there is usually a breeze and it is refreshing by comparison.

The climate sets its own rhythm. After lunch Madrid is a ghost town because whatever business remains in August is working only from 8 am to 3 pm and the afternoon siesta is taken seriously. The pattern of two sleeping cycles should be observed to enjoy the leisure highpoints of Madrid in August.

Sitting out on the terrace of the Cafe Gijon or the Cafe Teide alongside it on the Paseo De La Castellana at 2 am is not to be missed. But it would be a pity to forego a col early morning walk in the Retiro Park when the gardeners are busy watering. A long lunch followed by a long siesta makes this perfectly possible.

It is important on arrival in the city to get your bearings. In August it is easy to do this in Madrid because you have the town to yourself. Most cities have a river to help orientation. Madrid has the Manzanares which is in fact just a trickle and tends to be smelly.

The best bearing in Madrid is provided by the Paseo De La Castellana which scores through the city from north to south like a broad and leafy gully. A morning walk, starting from the north, takes one on a leisurely downhill stroll through modern highrise Madrid (some of the building is very impressive). At the bottom end is the graceful late 18th century, the Ritz and the Palace hotels and the Prado and the Botanical Gardens a few hundred yards further on.

Plazas dot alongside the long boulevard with statues and fountains. There is Isabella, the Catholic queen, mounted on a horse, Columbus staunchly pointing his finger west, Antonin Canovas, Spain's nation builder last century, making a speech, and, best of all, Cibeles, the queen of the sea surrounded by lions who pull her chariot and Neptune, standing on a shell and grasping a trident.

The Castellana is a useful bearing because walking down it as you reach the end old Madrid lies on the left. On the right of the Castellana, that is on its east side, stand the solid buildings of Madrid's better addresses which make up the Salamanca Quartier. Running through Salamanca, immediately parallel to the Castellana, is the Calle De Serrano which, together with its offshoots, comprises the smartest shopping area in Madrid.

Turn left off the Castellana by Cibeles or by Neptune and walk westwards and you get to the heart of old Madrid: the Puerta Del Sol Plaza which is something of a Piccadilly Circus and the Plaza Mayor which is rectangular, colonnaded and was built in the early 17th century. Here is the area of windy streets and "tapas" bars where an array of titbits and snacks crowd the bar to form a smorgasbord doused in garlic and olive oil.

A day at least should be set aside for the Prado, or rather at least a couple of early mornings in order to be really alone. The arrival in Madrid of Picasso's *Guernica* two years ago from New York prompts at least a stimulating experience. You can spend a long time with Goya's vast canvases of the patriotic revolt against Napoleon and of the subsequent executions, which are on the ground floor of the Prado, and then move on to an annex of the museum where *Guernica* is housed. Then you can have an *aperitivo* in one of the open air bars in the nearby Retiro Park and have a good brood about violence as you munch your olives and sip a Campari soda.

The Prado is — and it's a personal choice — Goya, Velazquez and El Greco in that order. Appreciation of El Greco should lead you to the nearest car hire firm, or to the Atocha bus/railroad station and thereby to Toledo. It will be punishingly hot and you will need sensible shoes to survive the cobblestones.

To have Toledo almost within hailing distance is Madrid's singular privilege. As you wander between the cathedral, the synagogue and the Mosque you come to the conclusion that Toledo perhaps should be the site of Middle East peace talks. Once Toledo was the tolerant home of the three cultures. In spite of all that has happened since, Toledo sweats Byzantium, and El Greco, at every pore.

Very close to Madrid lies the Escorial Monastery which is of course the personification of Spanish grandeur and austerity.

To go to the Escorial, folded into the Guadarrama Mountains half an hour from the city centre, is to cool off from the heat of the capital. Before actually going into the Palace come to the Monastery (and the crypt where the kings of Spain are buried). It is worth taking a walk into the woods across a small valley and sitting down on a rocky promontory that is known as the "seat of Philip II."

Philip tortured by his destiny, his religion and his soul used to sit there and watch the extraordinary edifice of his dreams being painstakingly constructed.

As for Goya, he is perhaps Spain's psycho-analyst, probing into and exposing every sphere of Spanishness. His river banks of the Manzanares are gone but around the Plaza Mayor a lot remains of what he saw. You won't find Spain on the Costas but you will get a week's inkling of it in Madrid in August with Toledo and the Escorial framing the picture.

ROME

"without doubt the . . . most beautiful capital city"

RUPERT CORNWELL

AUGUST, it is said, is not the month to find yourself in Rome. It will be unsufferably hot, and everything will be closed. But don't believe it. I have found myself in Rome, working, for each of the last four Augusts, and now I wouldn't miss it for anything. And even after five years in the place, I still feel envious of the tourists I see leaving their hotels in the morning, as I rather reluctantly make my way down to the Financial Times office in the centre of the city.

In the first place the heat, treated with a little good sense, can be easily coped with. The places to see are those offering shade and space. And there is hardly a season better for visiting the Roman Forum and the Palatine Hill behind it or the Old Appian Way, and letting your mind wander like Gibbon amid the ruins and the parched brown grass. If that proves too warm, then there is even underground refuge in the Catacombs —or the mysterious *domus aurea* of the Emperor Nero on the Esquiline, just behind the Colosseum. But do bring a torch.

Then there is the sheer joy of walking in old medieval and baroque Rome—*Roma Popalino*, the Rome of the Popes. Connoisseurs say the best moment of all is dawn and just before, when all is still and unreal. If that's too much to ask, then best are the mornings, when it's still comparatively cool, or the early evening, when the *ponentino* breeze comes in from the sea, dispelling the mid-afternoon heat. And don't forget to try the delicious thirst quenchers available in any bar, like cold tea or a *granito*, an iced coffee or lemon sherbet.

Now to dispel the second myth, that everything's closed. True the city is pleasantly empty (apart, maybe, from the politicians trying to form a new government) but most of the really exciting shops, in the streets which lie in front of you as you walk down the Spanish steps, stay open for most of August. Apart from the mid-month shut down for the *Ferragosto*, or Feast of the Assumption.

The hub is Via Condotti, an up-market version of Bond Street. There you will find what my Italian wife considers the best leather shop in Rome, Campanile e Spatarella. It sells very imaginative, very expensive shoes, handbags, blousons and luggage, in unusual and sometimes glittering colours. In Via Condotti, and the surrounding streets are other famous names —like Ferrogamo, Casuccio e Scalera, Tanino Crisci, Magli and Fragiacomo. Prices can range from the high to the astronomic, but August is a sales month when you can pick up a real end-of-season bargain.

The same goes for clothes. Most of the famous Italian fashion designers have shops around Via Condotti—Armani, Missoni, Valentino, Versace and Gianfranco Ferre, to mention just five. But even if you're feeling too poor to buy anything, window-shopping is worth it on its own. And do stroll over to Via Delle Carrozze to look at a couple of marvellous jewellers. Siragusa specialises in reproductions of ancient jewellery, at relatively manageable prices, while Lilla Perez has a tempting range of unusual items, of very youthful styling.

At this point clearly, sustenance is in order. Most bars do have a range of snacks available, but Rome alas does not have Paris' proliferation of cafes with tables and chairs o[n] the pavements. What it do[es] boast, however, is one of th[e] planet's great cocktail bars, [on] the top floor of the Eden Hote[l] on the corner of Via Ludovis[i], five minutes walk from the V[ia] Veneto. Do go, and sit down f[or] a drink on the small terrace wi[th] its pergola. It has a quite stu[n]ning view across the rooftops o[f] what is without doubt th[e] world's most beautiful capit[al] city.

My advice would be to kee[p] lunch light, and keep the ma[in] meal for the evening. Even [in] August, dozens of Rome's nice[st] restaurants are open, spreadi[ng] out across old streets an[d] *piazze*. Just by Piazza Navo[na] are two of my favourites, I[l] Maiella and Passetto. Another, Angelino a Tor Marcana, in [a] pretty square just up behind th[e] Communist party headquarte[rs] in Via Delle Botteghe Oscu[re]. By London standards eating o[ut] in Rome is cheap. The cooking [is] never less than highly accep[t]able, and a meal for two w[ill] rarely top £20 or £25, and in le[ss] chic places can cost half that.

A must one evening is a me[al] down in Trastevere the o[ld] quarter on the other side of th[e] river. It is full of restaurar[ts] specialising in fish (in earl[ier] times a staple diet of t[he] Romans). The best two a[re] Galeassi and Sabatini, in Piaz[za] Santa Maria in Trastevere itse[lf]. There you can dawdle ov[er] *spaghetti alle vongole* a[nd] grilled prawns—and experien[ce] that extraordinary theatric[al] quality of old Rome. At nig[ht] the buildings lose their su[b]stance, and seem just stage s[ets] for the goings-on around. [In] summer particularly, Rome go[es] to bed late.

Afterwards it is time for [a] slow walk through the s[till] balmy night. If you're lucky y[ou] may catch a waft of perfum[e] jasmin scent from a hidden g[ar]den or a terrace above.

Finally, just to spoil eve[ry]thing, a word of warning. Dor[n't] leave bags, handbags and w[al]lets exposed. The Rom[an] *scippatore* or petty street thi[ef], frequently complete with [a] Vespa moped for fast escape, [is] highly skilled. And about t[he] only circumstances in whi[ch] Rome is not agreeable in Aug[ust] is inside the local police s[ta]tion, reporting lost mon[ey], credit cards and passport to [a] resigned policeman who's se[en] it all a thousand times befo[re].

SAN FRANCISCO

"head north towards California's wine country"

LOUISE KEHOE

THE "city," as northern Californians call San Francisco, holds a multitude of tourist attractions, and I would hardly suggest that a visitor miss the view of the city from the eastern end of the Golden Gate Bridge, nor the panorama from the top of Twin Peaks — weather permitting. Riding the cable cars up and down San Francisco's steep grades must rank as the biggest roller coaster ride in the world, and it is certainly as thrilling as any that I have ever dared to try.

It is, however, beyond the streets of San Francisco that this California dweller prefers to spend time exploring. Leaving San Francisco's fog and traffic behind I'll head north across the Golden Gate Bridge toward California's wine country.

Up and down the Napa and Sanoma valleys vineyards—some 25,000 acres they say—encase the highway and in each valley a dozen or more wineries invite the traveller to tour or taste. Many visitors seem to regard this as the Californian version of a pub crawl, but there really are some wines worth sampling. The winery tours are moderately interesting too. Like all Californians the vintners love to boast of their long history—almost 140 years of wine making in the region. The wonder, however, is that they have come so far toward matching the quality of their European predecessors in such a relatively short time.

Each winery has a different flavour in more ways than one. Probably the most imposing is the Christian Brothers' Greystone Winery. The brothers—known in Britain and Ireland as a teaching order—make most of their wine at the nearby novitiate winery. I'm still hoping to see a cassocked brother labouring in the vineyard, but I gather they all wear jeans these days.

Greystones is used primarily as a huge ageing cellar. Massive 5,000 gallon redwood casks fill much of the building. The tour includes a demonstration of the champagne production line and ends, as they all do, with a visit to the tasting room.

There is not too much sophistication about the tourist tasting rooms. The guide will suggest that you start with the dry white and go on to the reds, but that is as far as wine snobbery goes. It is really not "done" in California to be openly sophisticated. The laid back approach does not include sniffing, swilling, serious faces or too much comment. Just sip up and push out your glass with a smile.

British visitors to the wineries have a reputation for tasting too much (nothing to do with expatriates of course). It must be the bargain hunters' spirit that drives them to insist on one more "free" glass of wine. How could a Brit resist?

Watching one's countrymen as tourists is at times highly embarrassing, but then I try to recall how American tourists used to behave in my home city of Chester and I think the British are at least quieter.

Napa is the better known, and the more prestigious of the two wine valleys, but Sonoma has other attractions as well as many excellent wineries.

The town of Sonoma is reminiscent of a thousand cowboy movies. Here, you find some traces of the Wild West and come to realise that it all happened such a short time ago.

Around the City Plaza several of the buildings date back to the 1840s when General Mariano Guadalupe Vallejo was in charge of defending the Sonoma Mission.

Vallejo's barracks, where 100 or so troops were housed between expeditions to subdue hostile Indians has recently been renovated as an historical monument. These were the days of Mexican rule in California, before the bear flag was raised

Vallejo's home, with furnishings imported from Europe, presents a picture of how the rich lived in the 1850s. The little Adobe Mission was the last of 21 to be built by Father Junipero Serra up and down California. At its peak in 1830 the Mission is said to have had 1,000 converted Indians in residence.

Sonoma is not just a history tour. The town has other important features to attract this visitor. First there is its cheese shop which sells nice Stilton and Cheshire. These are rare treats in this part of the world, and worth driving the 50 miles to Sonoma to find.

The next stop is at the brewery. This attraction is not listed in any of the guide books and indeed it is not much to look at, but as the only known source of real ale in California it is Mecca to some. The New Albion Brewing Company was founded by an enterprising Scot who (like many Europeans) could not stand American beer. His operation is very small, producing only a few hundred bottles each week. In the meantime, we will drive to Sonoma to buy a case of New Albion ale from time to time.

From the unusual to the commonplace—for a truly "California" experience try hot-tubbing. For the uninitiated, the hot tub is an open air bath. The best examples are made of redwood planks and include frothy bubbles and water jets at a temperature that tingles. What better than to sit back in the hot tub and sip a glass of Zinfandel at the end of a busy day—cheers from California.

BRIDGE

E. P. C. COTTER

In *Improve Your Bridge The Lederer Way* (Bibliagora £3.95) Rhoda Lederer, in collaboration with Amanda Hawthorn, has produced a good book which will do much for the aspiring player. Bidding is covered in great detail, and many facets of dummy play and defence are clearly explained.

Let us see what can be learnt from counting:

	N	
	♠ A Q 10 4	
	♡ A K J	
	◇ A 5 3	
	♣ J 4 3	
W		E
♠ K J		♠ 8 5 3 2
♡ 10 8 7 5 3 2		♡ Q
◇ K		◇ J 9 8 7 6 2
♣ 9 8 6 2		♣ K 7
	S	
	♠ 9 7 6	
	♡ 9 6 4	
	◇ Q 10 4	
	♣ A Q 10 5	

North deals at a love score and bids one spade, you sitting [illegible] hearts. It is a pairs event, and you want to make all the tricks you can.

You start by employing the Rule of Eleven, which indicates that East has only one heart higher than the five. You do not, of course, try on the first round a finesse which can be tried later—you put up dummy's King, and East drops the Queen.

This tells you that West had six hearts. Now you must finesse clubs, but do not lead the Knave —that may cost a trick—but the three. East plays the seven, and you finesse the Queen, which holds. Turning your attention to spades, you observe the same care, leading the six, and you cover West's Knave with dummy's Queen.

You cash the spade Ace, dropping West's King, and switch back to clubs, playing the four. East produces the King, you take your Ace, and cash dummy's Knave, East throwing a diamond, then return to your nine of spades to make your club ten.

At this point you know for certain that West started life with a singleton diamond. It might be the King, so you play dummy's Ace, and drop the King on your left. Now you finesse

Note that the play of the club Knave at trick two will promote West's nine to master rank: if you lead the spade nine, you will promote East's eight in the same way.

A new impression in paperback of *Teach Yourself Bridge* (Hodder and Stoughton £2.50) by Terence Reese is now available. After an opening chapter for the complete beginner, the author deals with the rudiments of bidding and play at no trump and suit contracts, and he ends with stratagems in play and leads and signals.

Let us study an old friend, the Hold-up with two stoppers:

	N	
	♠ K 6 2	
	♡ A 4	
	◇ Q J 9 5 2	
	♣ Q 6 3	
W		E
♠ 8 5 3		♠ J 10 7 4
♡ Q J 9 8 6 3		♡ 7 2
◇ A 4		◇ K 8 3
♣ 10 5		♣ K 9 8 2
	S	
	♠ A Q 9	
	♡ K 10 5	
	◇ 10 7 6	
	♣ A J 7 4	

With North-South game, South deals and bids one club, West overcalls with one heart, and North says two diamonds

When West leads the heart Queen, the declarer, holding two stoppers in the suit, may be tempted to win with the Ace, and attack diamonds. In an average game he may get away with this inferior technique, but an expert in the East seat would protect his partner's presumed entry by playing his diamond King at trick two and clear the heart suit while his partner's diamond Ace was still intact.

The contract is easily fulfilled if the declarer plays low from both hands at the opening lead. If West continues with hearts, the Ace wins and a diamond is returned. Now it is of no advantage for East to rise with his

CHESS

LEONARD BARDEN

THIS SUMMER'S European team final at Plovdiv confirmed predictable Russian supremacy but showed that the young England players are closer to their goal of becoming the Soviet Union's major international rivals. Scores were USSR 38 out of 56, Yugoslavia 33, Hungary 31, England 30, Holland 29½, Bulgaria 25½, Denmark 20, West Germany 17½. England finished one place lower than in 1980 when we drew with the Russians and took the bronze medals, but made an improved points total of 30 against 28½.

The impression in the England camp at the end was that still better results were possible. Uneven performance was the problem, with five of our 10 players under 50 per cent. The Russians, in contrast, conceded only two defeats throughout. One of these was to Jonathan Mestel, whose brilliant 6 out of 7 was the best score of the competition; while Nigel Short, now aged 18, made a promising 4½/7 debut.

England were on average some 10 years younger than their Hungarian and Yugoslav counterparts, so there are good prospects that we shall soon become regular medal winners in senior international chess, as already occurs at junior level. Duncan Lawrie, the bankers, sponsored the England team as for several years past, and their effective support has been a major factor in the steadily [illegible]

Significantly several of the Plovdiv team, who came away from Bulgaria disappointed at the missed medals, produced exceptional achievements just a few weeks later. Miles and Nunn shared first prize at Biel in Switzerland; while at Amsterdam Chandler was joint winner and Short fifth, both attaining GM norms. Add Mestel's 6/7 at Plovdiv and a GM norm in Paris for Plaskett (who narrowly missed selection for the England team) and there are six grandmaster-level performances by British players within a few weeks, a unique tally.

Two of Mestel's wins at Plovdiv, where his inventive style overran the strongest opponents:

White: H. Ree (Holland). Black: A. J. Mestel (England). King's Indian Defence.

1 P-Q4, N-KB3; 2 P-QB4, P-KN3; 3 N-QB3, B-N2; 4 P-K4, P-Q3; 5 P-B3, 0-0; 6 B-K3, N-B3; 7 KN-K2, P-QR3; 8 Q-Q2, R-N1; 9 P-KR4, P-KR4; 10 0-0-0, P-QN4; 11 N-B4 (the N is more effective at KN3), PxP; 12 BxP, P-K4! (a novelty, setting the trap 13 NxNP? PxP; 14 BxQP, R-N5!); 13 PxP, QNxP; 14 B-N3, Q-K1; 15 KN-Q5, NxN; 16 NxN, B-K3; 17 Q-R5, BxN; 18 QxB, P-QB4; 19 R-Q2, P-B5; 20 B-QB2, clever idea 22 KxR, P-B6 ch; 23 KxP, N-B5 dis ch; 24 KxN, Q-N4 mate! 22 QxRP, Q-N1; 23 Q-R3, P-B6; 24 R-Q4, NxP; 26 R-Q5, N-Q7; 27 BxN, PxB ch; 28 KxP, R-QB1; 29 Resigns. If 29 R-QB5, Q-Q3 ch.

White: A. J. Mestel (England). Black: V. Kovacevic (Yugoslavia). Alekhine's Defence.

1 P-K4, N-KB3; 2 P-K5, N-Q4; 3 P-Q4, P-Q3; 4 N-KB3, B-N5; 5 B-K2, P-K3; 6 0-0, B-K2; 7 P-KR3, B-R4; 8 P-B4, N-N3; 9 N-B3, P-QR3? (serious loss of time; better is the simple 9 0-0); 10 B-K3, 0-0; 11 PxP, PxP; 12 P-B5, N-B1; 13 Q-N3, Q-B2; 14 PxP, BxP; 15 QR-B1, N-B3; 16 P-Q5! (classical play, opening up the centre for White's better developed pieces) PxP; 17 NxP, Q-N1; 18 KR-Q1, N(3)-K2; 19 B-B5, BxB; 20 RxB, BxN; 21 BxB, N-B3; 22 N-K3! (regrouping against the black K), Q-R2; 23 Q-R3, N(1)-K2; 24 R-Q7, KR-B1; 25 BxN, RxB; 26 RxR, NxR; 27 N-B5, Resigns.

POSITION No. 478

J. Speelman v. D. Cummings, Grieveson Grant British Championship, Southport 1983. A dilemma for top seeded grandmaster, Jon Speelman (White, to move); can he play the obvious 1 R-KR1, or does Black

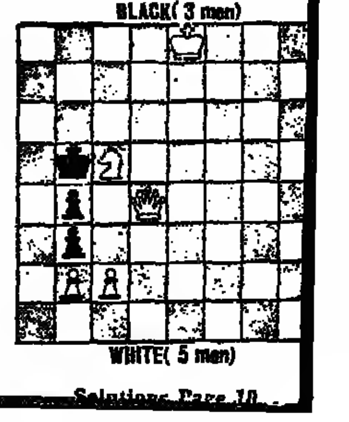
BLACK (7 men)

WHITE (7 men)

PROBLEM No. 478

White mates in three mov[es] against any defence (by Richter).

BLACK (3 men)



WHITE (5 men)

Solutions Page 10

ARTS

The 37th Edinburgh International Festival which opens tomorrow is the fifth and last under the artistic directorship of John Drummond. Two major exhibitions. Vienna 1900 (in the National Museum of Antiquities of Scotland) and Man and Music (in the Royal Scottish Museum), set the theme. 1983 is the centenary year of Wagner's death and of Webern's birth.

Theatre

The festival drama programme could hardly open with a more enticing or appropriate item in the year of the Viennese theme than tomorrow night's performance in the Assembly Hall of Karl Kraus's *The Last Days of Mankind*, writes Michael Coveney.

Published just after the end of the First War, this plotless satiric tragedy has the disintegration of European culture as its main subject and a cast list, on the page at least, of over 500. The British premiere by the Glasgow Citizen's in Robert David MacDonald's translation promises to be an outstanding event of the festival. The Citizens', making their third appearance on the Edinburgh programme, follow up in the second week with a new translation, also by Mr MacDonald, of Hofmannsthal's *Rosenkavalier*, the libretto for Strauss's opera.

Vienna in 1903 is the scene of *The Soul of a Jew*, presented in the first week at the Music Hall, George Street, by the Haifa Municipal Theatre of Israel. The central character is Otto Weininger, an anti-Semitic, anti-feminist Viennese philosopher who committed suicide aged 23 after being converted to Catholicism. The play has roused considerable controversy in Israel.

In his five years as festival director, John Drummond has done extremely well, in difficult circumstances, in his attempt to enliven the theatre programme. In the second week he offers us not only Nuria Espert's company from Spain, in Lorca's *Dona Rosita*, but also a John McGrath Aristophanes project, *Women in Power*, in a production from a newly formed offshoot of the Scottish 7:84 Company.

The third week Lyceum Theatre centenary celebration has been replaced at comparatively short notice by Lindsay Anderson's touring production of *The Cherry Orchard*. As the cast includes Joan Plowright, Frank Finlay, Leslie Phillips, Bill Fraser, Frank Grimes and Bernard Miles, it hardly sounds like a make-weight affair; it comes, later in the year, to London.

On the fringe, there are now three main venues to be reckoned with: the Traverse, the Assembly Rooms in George Street and the Circuit in Castle Terrace. These centres, especially the latter two, have sucked in so many of the fringe activities that unadventurous Festivalgoers are in danger of ignoring the curious pleasures of obscure Jacobean plays or unknown companies in remote and draughty church halls.

The fringe is now big and well-organised business for many artists and entrepreneurs, with tours and London transfers often in the bag before the shows have even opened. It is a bustling market place, more bazaar than bizarre perhaps.

Someone, somewhere, is, as usual, playing Dr Jekyll and Mr Hyde. Ines Berlin from Dusseldorf promises experimental erotic dance in Baden Powell House. London Hospital Drama Society present *A Pox-on-the-Lips Now* ("Highly infectious," naturally) at the Royal Edinburgh Hospital in Morningside. The Oxford Theatre Group offers revivals of *The Ascent of F6* by Auden and Isherwood and of Middleton's *Women Beware Women*.

Film

The Edinburgh Film Festival offers staunch relief to those suffering the late summer movie drought south of the border, writes Nigel Andrews. Amid the crags of Auld Reekie, you may quaff deep of a full-scale Nagisa Oshima retrospective, plus his new film starring David Bowie, *Merry Christmas Mr Lawrence*. You may, between the skirling of the bagpipes and the steaming of the haggises, imbibe many stereotype-vanquishing seminars on "New Images of Scotland." And you may enjoy the Edinburgh Film-fest's unique ability to search for unsung talent among the Cinderella products of low-budget cinema, documentaries, shorts and short features.

Since former festival director Lynda Myles left three years ago, the Edinburgh event hasn't quite found a new identity or kept the old one in highest polish. But this is more a problem of product than a failing of new director Jim Hickey. Myles herself, in her last two years, was struggling to keep the festival as lively as in the heyday years when the prolific Roger Corman stable provided many a blazing B-picture, and when the restored Venice festival (now overlapping in late August) wasn't alive and well and breathing down Edinburgh's neck.

There is, none the less, a good clutch of British premieres at this year's festival, especially from America. Sam Fuller's *White Dog*, Roger Christian's *The Sender*, Franc Roddam's *Lords of Discipline*, Peter Hyams's *The Star Chamber*, Steven Spielberg and John Landis's *The Twilight Zone* will make their bow, plus Linda Ronstadt in *The Pirates of Penzance*, Kate Nelligan with American accent in *Without A Trace* and a fierce St Bernard in Stephen King's canine horror tale, directed by Lewis Teague, *Cujo*.

The most picturesque American film, however, is Alan Rudolph's *Return Engagement* wherein G. Gordon Liddy, on the extreme Right, and Timothy Leary, on the ditto Left, enact the entertaining on-stage debating show with which they have been touring, and storming, America.

By contrast, British cinema this year is conspicuous, nay alarming, by its absence. It's sad to note that the spearhead movie from the UK is Tony Palmer's *Wagner*, a TV mini-series with elephantiasis, which when last heard of was running at something like six hours. Otherwise, there is dismayingly little from Britain except animation (a special season devoted to British student work therein), a handful of featurettes, a couple of features and the ubiquitous *Another Time Another Place*.

In the Highly Recommended from Points East category, titles to seek out are Alain Tanner's *In The White City*, an existential movie without tears and with Bruno Ganz excelling in the main role; Andrzej Wajda's magnificent *Danton*; Ann Hui's curious and skilful *Boat People*, piecing together a picture of after-war life in Vietnam from refugees' reports; Gianni Amelio's *A Blow To The Heart* from Italy, about the human roots of terrorism; Erik de Kuyper's fascinating *Casta Diva*, a near-abstract movie which transforms everyday movement and gesture into ritual and Orlow Seunke's *A Taste of Water*, in which a scruffy Dutch *enfant sauvage* is taken in hand by a no less scruffy Dutch social worker, causing passers-by to be unable to tell the difference.

All these I have seen and can commend. Among unknown quantities the most interesting-sounding are *Shadows From Light*—a rare British film—which is Steve Dwoskin's "personal journey through the work of photographer Bill Brandt"; Gilles Carle and Camille Coudari's *The Great Chess Movie* from Canada, a documentary about life around the chequered board (starring Spassky, Fischer, Korchnoi and company); Chris Windsor's *Big Meat Eater*, a multi-genre black comedy from America; and from Germany a film portrait of that seigneurial Bohemian among actors Sterling Hayden, Wolf-Eckart Buhler's *Pharos of Chaos*.

Full coverage of the Edinburgh Festival, and fringe, will begin in Monday's newspaper. A comprehensive programme guide price £1.50 is available from the Festival Ticket Office 21 Market Street, Edinburgh (add 90p postage)

Music

Two visiting opera companies, each with wares of genuine value to display, add a note of renewed excitement in Edinburgh opera, writes Max Loppert. The Hamburg State Opera, last seen at the festival in 1968, arrive at the King's Theatre with a double bill that fits splendidly into the overall festival theme of turn-of-the-century Vienna. This is *A Florentine Tragedy* and *The Infanta's Birthday*, both by Alexander von Zemlinsky, Arnold Schoenberg's teacher and himself the subject of a recent wave of renewed interest; both are Wilde story adaptations, clothed in sumptuous music, and both should provide gripping music theatre.

The other Hamburg offering (at the Playhouse) is *Die Zauberflöte*, in the controversial production of the painter Achim Freyer, with a cast including Helen Donath and Kurt Moll.

Apart from a single performance of the new Scottish Opera staging of Britten's *Death in Venice* (August 26), the remainder of Edinburgh's opera falls in the last week, and is provided by the Opera Theatre of St Louis. In less than a decade this youthful company developed a justifiable reputation as the most accomplished and stimulating opera troupe in the U.S. On its first transatlantic journey it brings two recent successes, each from the already considerable repertory of unhackneyed works — the European premiere of the first full-length opera by Stephen Paulus, the opera adaptation of James M. Cain's *The Postman Always Rings Twice* and, in tandem, a rare opportunity afforded to encounter in the theatre Delius's musically rapturous *Fenuimore and Gerda*.

The concert schedule of the 1983 Edinburgh season is as studded with attraction as ever. The Viennese theme, with Schoenberg and Webern its most regular proponents, wends its way through the weeks, most concentratedly in the third with the short series by the Dutch Schoenberg Ensemble; other notable occasions are the LSO/Abbado programmes of Webern and *Lohengrin* Act 2 (August 24) and Schoenberg's *Erwartung* with the *Eroica Symphony* (August 25), also the big choral outing of the Scottish National Orchestra and Edinburgh Festival Chorus (September 4) in Schoenberg's concert epic, *Gurrelieder*.

Plenty of solid mainstream fare too, and plenty of distinguished orchestras to offer it—Concertgebouw under Haitink, Czech Philharmonic, LPO, Philharmonia, and Franz Liszt Chamber Orchestra among others. And the roster of recitalists for the morning concerts is as starry as ever—Barbara Hendricks, Ileana Cotrubas, Lucia Popp among the singers; Cécile Ousset, Charles Rosen, Shura Cherkassky, Pinchas Zukerman, and the Tokyo and Melos quartets among the instrumentalists. There is, however, a comparative shortage of new works this year (only one, in fact, in the Boston Music Viva morning concert, August 26), though that will hardly grieve most Edinburgh concert-goers.

Useful numbers:

Festival ticket office: 031 225 5756.
Fringe information: 031 226 5259.
Fringe box office: 031 226 5257.
Assembly Rooms: 031 226 5992.
Circuit: 031 229 6704.
Traverse Theatra Club: 031 226 2633.
Film festival booking: 031 228 2888.

Play it again

RADIO

B. A. YOUNG

The commonest word in the Radio Times at this time of year is Repeat. Often I resent it; but often I welcome it. For example, some of the plays that won this year's Giles Cooper Awards (announced while we were off the air) are being heard again. I think I probably wrote about all of them first time round; certainly I found myself heartily in agreement with the judges. But there's nothing wrong with hearing a good play twice. I must have heard *Hamlet* 30 times at least, and I'm always glad to hear it again.

So it was glad news to see John Arden's *The Old Man Sleeps Alone* in last week's programme, a piece about the building of Durham Cathedral rather in the manner of Kipling's *Puck of Pook's Hill*. This week we have had Tom Stoppard's *The Dog It Was that Died*—the third production within a year, and worth three more if they find time for it. These two on Radio 4; on Radio 3 they repeated *Watching the Plays Together* by Rhys Adrian. No point in my reviewing them again, but it's good to draw attention to them.

Radio 4 has also just finished repeats of what it bills as Four Classic Comedies. This week we had an enjoyable *Importance of Being Earnest*, in the four-act version with the extra lines and the extra characters. Richard Pasco and Jeremy Clyde, Barbara Leigh-Hunt and Prunella Scales, Maurice Denham and Sylvia Coleridge, Fabia Drake as a Lady Bracknel almost as lively as Judi Dench's you couldn't ask for better. Last week there was a truly classic *She Stoops to Conquer*, with Wayne Sleep as a Tony Lumpkin who for once actually sounded like a mischievous boy and not a boorish young clot.

My enthusiasm for repeats dwindles almost out of sight when it comes to the instant repetitions we are given, in the season, of programmes like *Start the Week* and *Stop the Week*, which as I see it are only gap-fillers at the best, though I know I shall be told how many millions of listeners sit glued to their sets for them, no doubt both times.

What is in season is *Whizzalangowavelength*. How this even achieves a single transmission is more than I can guess. It's rowdy and witless and depends largely on funny voices, but I can't say no one likes it, because you can hear the people at the Paris Studio laughing and clapping as directed by the studio manager or whoever it is. Well, I've been to light entertainment at the Paris Studio, and the audiences are so delighted to be there, to be actually BROADCASTING themselves, that they will clap anything. It's only fair to say that when you encounter a programme with a name like this, you hardly expect *Elective Affinities* (which we so pleasantly had read to us on Radio 3 last week by Richard Morant).

Two repeats I was glad to catch came up on Radio 3 on Sunday. Luis Bunuel's death last month brought back Russell Davies's programme with the catchpenny title of *The Discreet Charm of Mr Bunuel*. There were people in it who had known him or worked with him, and the result was a pleasantly intimate portrait, and just the thing to give us when BBC2 is about to run a season of Bunuel films.

The other was a curious little play by Ruth Brandon called *Fishfall on 47th Street*, said to be based on the correspondence between Charles Fort and Theodore Dreiser. Fort couldn't get anyone to publish his *The Book of the Damned*; and Dreiser's publishers were to withdraw his *The Genius* when some contemporary Whitehouse threatened to sue them.

This has very little to do with the main event of the plot (there's only one). One evening when Dreiser has called on Fort and they have both drunk themselves into a stupor, Fort falls asleep and has a dream.

He is in some kind of other world, where there are piles of things like fish, frogs, snakes, stones, and he finds a hole through which he can throw them down on to New York. At 9th Avenue and 47th, the fish drop to the sidewalk and are greeted either with amazement or with the simple commonsense explanation that, as Fort maintains, most people produce to disabuse such miracles. Then Fort wakes up and there is some more publishing chat, which ends up well for both of them. That's it.

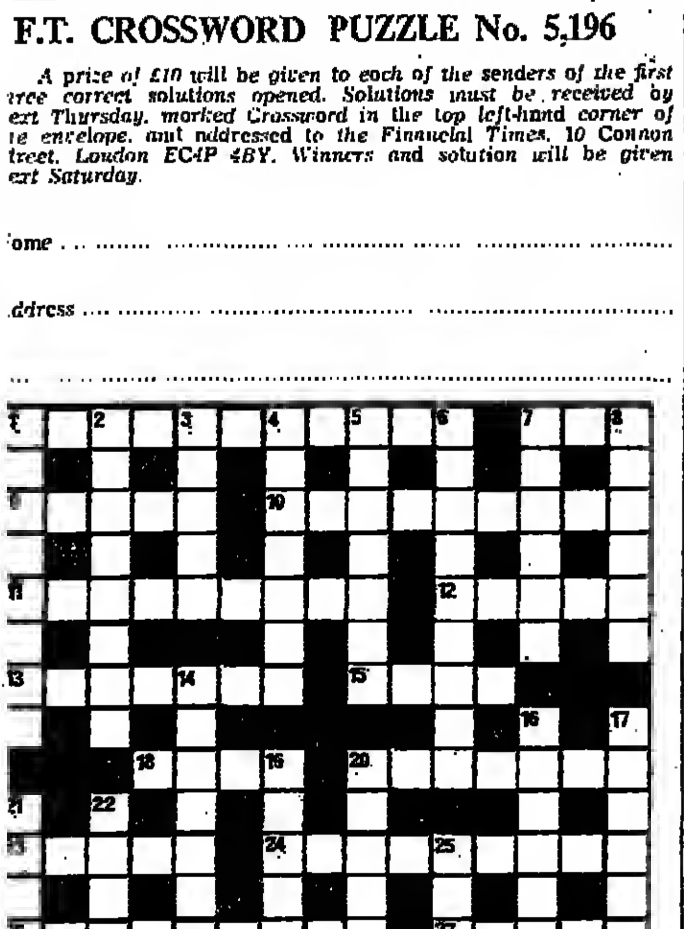
But it was very decently played by Lou Hirsch (Fort) and Ed Bishop (Dreiser), and decorated with music that suggested the sounds of New York in 1916. Clare Taylor was the director. If Dreiser hadn't been among the dramatis personae, I suppose the play would have been a 30-minute Theatre number on Saturday at 2 o'clock.

F.T. CROSSWORD PUZZLE No. 5,196

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



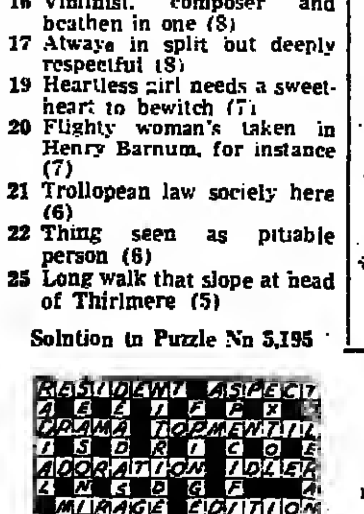
ACROSS

1 It is not for two-year-olds, but wait—creches ordered for it (11)
7 Lettuce found in smaller counties (3)
9 Worker on roof going wrong way—fired again (5)
10 Ecstatic about a piece of Gershwin? (9)
11 Heavy cloth not genuine if put behind safe (9)
12 No water for fragile canoe (5)
13 Excellent work done in Chateaux? (7)
15 Long tune in study (4)
18 Lying close, putting arms round (4)
21 Wise man admits writing-material can bring depression (7)
23 Central signal to drivers in Morecambe Road (5)
24 Where pitman works there is a complete change of altitude (5-4)
26 Converted ammo-store — shed inside it? (5-4)
27 Quick drink about four? . . . (5)
28 . . . just a small one! (3)
29 Ron's potting-out is his forte (6-5)

DOWN

1 Slow-moving, hard-top or vehicle going quickly? (8)
2 Bottom of scale in earnings—how can that be wholesome? (8)
3 Moving arm up and down (5)
4 Ugly beast featuring a growth of sorts (7)
5 Bertram Melrose's hidden fishing-net (7)
6 Chronicler to an Irish order (9)
7 Touch-type? (6)
8 The gear for boxer's attendant (6)
14 He has a grim nous problem (9)
16 Violinist, composer and heathen in one (8)
17 Always in split but deeply respectful (8)
19 Heartless girl needs a sweetheart to bewitch (7)
20 Flighty woman's taken in Henry Barnum, for instance (7)
21 Trollopean law society here (6)
22 Thing seen as pitiable person (6)
25 Long walk that slope at head of Thirlmere (5)

Solution to Puzzle No 5,195

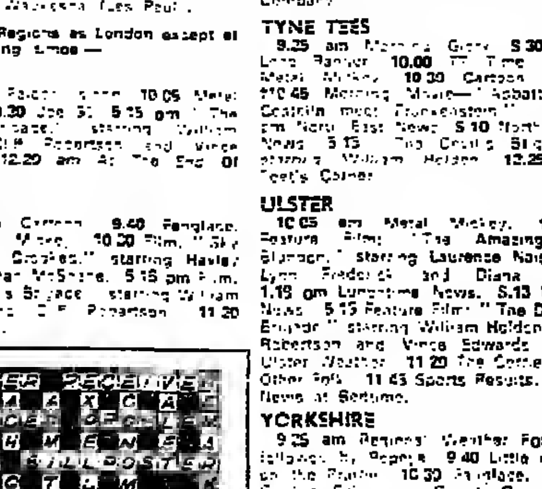


Solution and Winners of Puzzle No. 5,190

Mrs. A. E. O'Neill, 11, Walmington Fold, London, N.12.

Mrs. C. H. Austin, 15, Wildmor Lane, Catshill, Bromsgrove, Worcs.

Mr. O. Lovell, 32, Ramsden ...



†Indicates programme in black and white

BBC 1

6.25 am Open University. †8.55 Edgar Kennedy in "Wall Street Blues." 9.15 The Get Set Picture Show. †10.55 Saturday Morning Film: "Old Mother Riley's New Venture," starring Arthur Lucan and Kitty McShane. 12.12 Weather.

12.15 Grandstand, including 12.55 News Summary; Football Focus; (12.35) FA Charity Shield; GOLF: (1.0, 1.40, 2.40) Benson and Hedges International Open from Fulford Golf Club, York; Racing from Chester: (1.25, 1.55, 2.25); Athletics: (2.10, 2.40) European Cup Final from Crystal Palace; 4.45 Final Score.
5.10 Kung Fu.
6.0 News.
6.10 London—Sport; South-West (Plymouth) — Spotlight Sport; Other English regions—Regional News/Sport; Scotland — Scoreboard; Wales — Sports News Wales; Northern Ireland Northern — Northern Ireland News and Sport.
6.15 Blake's Seven.
7.5 Saturday Film: "Hellfighters" starring John Wayne.
9.5 The Main Attraction.
9.50 News and Sport.
10.05 Kelly Monteith.
10.35 (not Scotland) The Charity Shield (highlights).
11.25 Athletics (highlights).
11.55 The Rockford Files.

Scotland as above except: 10.35 pm The Rockford Files. 11.25 Athletics. 11.55-12.0 Scottish News Summary.

BBC 2

6.35 am Open University.
3.10 pm Saturday Cinema Double Bill (1) "The Seekers" starring Jack Hawkins.
4.35 Golf: Further coverage of the Benson and Hedges International Open.
5.30 Saturday Cinema Double Bill (2) "Robbery Under Arms" starring Peter Finch.
7.5 News and Sport.
7.20 The 20th Century Remembered.
7.50 Krzysztof Penderecki: "St Luke Passion."
9.20 Rape.
†10.5 Horror Double Bill (1) "The Mummy's Hand" starring George Zucco.
11.10 News On 2.
†11.15-12.25 am Horror Double (2) "The House of Dracula" starring Lon Chaney Jr.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 Star Fleet. 10.55 "Shinbone Alley" (cartoon).
12.15 pm World of Sport.
12.20 Motor Sport — Dirtdiggers Championship from Chessington; 12.45 Speedway—National Fours Film from Peterborough; 1.15 News; 1.20 The ITV Seven from Sandown and Ripon (introduced by Brough Scott and Derek Thompson); 3.10 Motor Sport from Chessington; 3.45 News Round-up; 4.00 Wrestling. 4.45 Results.
5.05 News.
5.10 The Smurfs.
5.30 Catweazle.
6.00 Happy Days.
6.30 Chips.
7.30 Ultra Quiz.
8.15 Saturday Royal.
9.15 News.
9.30 Adult Movie: "The Passage," starring Anthony Quinn, James Mason, Malcolm McDowell and Patricia Neal.
11.20 London News Headlines, followed by The Tube.
12.20 am Night Thoughts, with Dr Una Kroll.

CHANNEL 4

†2.45 The Vintage W C Fields.
4.25 Sphere.
4.35 Well Being.
5.05 Brookside.
6.00 Hot for Dogs.
6.30 News Headlines, followed by A Working Faith.
7.00 Take the Stage.
7.30 Clive of India.
9.10 The Charterhouse of Parma.
10.15 Caleb Williams.
†11.40 "The Paradine Case," starring Gregory Peck, with Charles Laughton and Alida Valli.

S4C (WALES)

2.50 pm Ulster Landscapes. 3.15 Manscape. 3.45 In Search of Paradise. 4.10 ... 4.40 Switch. †5.35 Saturday Movie: "The Painted ..." 7.00 Dynasty Gwynion. 7.30 Newyddion. 7.40 Cwlwm Pel-Droed ... 8.10 Star Wyr Mon. †8.55 Naked City. 9.45 The Last Sailors. 10.40 ... 11.35 Jazz On Four: The Wizard of Waukesha (Les Paul).

All IBA Regions as London except at the following times —

ANGLIA

9.25 am ... 10.05 Metal Mickey. 10.30 ... 5.15 pm "The Devil's Brigade," starring William Holden, Cliff Robertson and Vince Edwards. 12.20 am At The End Of The Day.

BORDER

9.30 am Cartoon. 9.40 Fangface. 10.05 Metal Mickey. 10.20 Film: "Sky West and Crooked," starring Hayley Mills and Ian McShane. 5.15 pm Film: "The Devil's Brigade," starring William Holden and Cliff Robertson. 11.20 Commander.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Profiles in Rock: Toto. 10.05 Vicky The Viking. 10.30 Saturday Morning Cinema: "The Fast Lady" starring James Robertson Justice and Julie Christie. 5.15 pm "The Devil's Brigade," starring William Holden and Cliff Robertson. 11.20 That's Hollywood.

CHANNEL

9.25 am Saturday Space—Stingray; Space 1999; Puffin's Space. 5.15 pm Puffin's Pla(i)ce. 5.17 Feature Film: "Journey to the Centre of the Earth."

GRAMPIAN

9.35 am A Iomadh Dathach. 10.05 Metal Mickey. 10.30 "Wombling Free" starring The Wombles of Wimbledon. 5.15 pm Film: "Journey To The Centre of the Earth," starring Pat Boone, James Mason and Arlene Dahl. 11.20 Reflections. 11.25 Mireille Mathieu Special.

GRANADA

9.25 am Larry the Lamb. 9.35 Falcon Island. 10.00 Vicky the Viking. 10.30 Saturday Matinee: "Living Free," starring Nigel Davenport and Susan Hampshire. 5.15 pm "The Devil's Brigade," starring William Holden and Cliff Robertson. 11.20 Marathon. 12.05 am Corbisa in Concert.

HTV

10.30 am "Three Hats for Lisa," starring Joe Brown, Sophie Hardy and Sidney James. 12.13 pm HTV News. 5.13 HTV News. 5.15 "The Devil's Brigade," starring William Holden, Cliff Robertson and Vince Edwards. 11.15 The Gangster Chronicles.

SCOTTISH

9.25 am Starstrom. 9.35 A Iomadh Dathach. 10.05 Metal Mickey. 10.30 Saturday Matinee: "Wombling Free" starring David Tomlinson, Bonnie Langford and Frances De La Tour. 5.15 pm "The Devil's Brigade," starring William Holden, Cliff Robertson, Vince Edwards. 11.20 Late Call. 11.25 Simon and Simon.

TSW

9.25 am Dick Tracy. 9.30 Freeze Frame. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.45 The Pirates of Southampton. 12.12 pm TSW Regional News. 5.15 TSW Regional News. 5.17 Feature Film, "The Devil's Brigade," starring William Holden, Cliff Robertson and Vince Edwards. 12.20 am Postscript.

TVS

9.25 am Cartoon. 9.35 The Smurfs. †10.05 Metal Mickey. 10.30 "Escape from the Planet of the Apes," starring Roddy McDowell, Kim Hunter, and Bradford Dillman. 12.12 pm TVS Weather. 5.15 "The Devil's Brigade," starring William Holden and Cliff Robertson. 11.20 Peter Sarstedt. A Portrait. 12.05 am Newport. 12.35 Company.

TYNE TEES

9.25 am Morning Glory. 9.30 The Lone Ranger. 10.00 TT Time. 10.05 Metal Mickey. 10.30 Cartoon Time. †10.45 Morning Movie—"Abbott and Costello meet Frankenstein." 12.30 pm North East News. 5.10 North East News. 5.15 "The Devil's Brigade," starring William Holden. 12.25 am Poet's Corner.

ULSTER

10.05 am Metal Mickey. †10.30 Feature Film: "The Amazing Mr Blunden," starring Laurence Naismith, Lynn Frederick and Diana Dors. 1.18 pm Lunchtime News. 5.13 Ulster News. 5.15 Feature Film: "The Devil's Brigade," starring William Holden, Cliff Robertson and Vince Edwards. 9.29 Ulster Weather. 11.20 The Cotties and Other Folk. 11.45 Sports Results. 11.50 News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Popeye. 9.40 Little House on the Prairie. 10.30 Fraggle Rock. 10.50 Cricket: Schweppes County Championship—Yorkshire v Nottinghamshire from Park Avenue, Bradford. 3.10 Cricket: Yorkshire v Nottinghamshire. 5.15 pm "The Devil's Brigade," starring William Holden, Cliff Robertson, Michael Rennie and Dana Andrews. 11.20 Great Fights of the 70s: Pessman v Gaindez.

RADIO 1

8.00 am Tony Blackburn's Saturday The Story of Pop Radio (S). 1.45 A King in New York (S). 1.50 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds Of The 60s (S). 11.00 Album Time (S). 1.00 pm Punch Line. 1.30 Sport On 2: Athletics: The European Cup Final from Crystal Palace; Football: Liverpool v Manchester United at Wembley for the Charity Shield; Golf: Report on today's 3rd round of the Benson and Hedges Open; Swimming: The European Championships in Rome; Racing from Sandown Park; Cricket: Report on the New Zealand v Leicestershire match and the county championship matches. 6.00 Country Greats In Concert. 7.00 Three In A Row. 7.28 Cricket Desk. 7.30 Big Band Special (S). 8.00 Music From The Movies (S). 8.40-9.00 Interval Talk. 10.00 Saturday Rendezvous (S) including 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Liz Allen presents You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.35 Music for Clarinet and Piano (S). 11.15 Radio Symphony Orchestra, Frankfurt part 1 (S). 12.20 pm Interval Reading. 12.25 Concert part 2. 1.00 News. 1.05 Brahms Lieder (S). 2.00 Nielsen (S). 3.10 Haydn Quartets (S). 4.00 The Corto: Legacy. 5.00 Jazz Record Requests (S). 5.45 India: A Cacophony of Cultures. 6.30 Peter Hurford. Recital on the organ of Sydney Opera House (S). 7.10 The Scum of the Earth (S). 7.30 Proms from the Royal Albert Hall, part 1: Bernstein, Copland, Gershwin (S). 8.25 A Closer Look. 8.45 Proms, part 2: Copland, Gershwin. 9.45 Interpretations on Record (S). 10.25 Cambridge University Chamber Choir (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.45 Breakaway including 8.57 Weather; Travel and 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News: A Small Country Living. 12.27 pm Quote . . . Unquote (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Tales from the South China Seas (S). 1.55 Shipping Forecast. 2.00 News: Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Women of Mystery. 4.00 News; International Assignment. 4.30 Does He Take Sugar? 5.00 Enterprise. 5.25 Whizzalongawavelength with the National Revue Company (S). 5.50 Shipping Forecast. 5.55 Weather Travel. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.20 In the Psychiatrist's Chair: Pat Arrowsmith talks to Dr Anthony Clare. 8.00 Richard Baker with music on record (S). 8.30 Saturday-night Theatre. 9.58 Weather. 10.00 News. 10.15 Staying On. 11.00 Surroundings (S). 11.30 Scenes from Village Life. 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 8.33 The Boat Show. 9.03 Openings Encore. 9.30 Quartet. 10.02 All That Jazz. 11.30 Jeff Young's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 The War It Was. 6.00 Guideline. 6.30 It Makes You Think. 7.00 Evening Star. 8.00 Ragin Replies. 8.30 The Maitland Show. 9.00 Hold The Front Page. 9.30 Good Fishing. 10.00 As Radio 1. 12.00-5.0 am Join Radio 2.

CHESS SOLUTIONS

Solution to Position No. 478

1 R-KR1! won after RxP ch; 2 KxR, N-K5 ch; 3 K-K3! (but not 3 K-N2? QxR ch), QxR; 4 Q-B8 ch, K-R2; 5 Q-N8 ch and mate.

Solution to Problem No. 478

1 N-R4 (threat 2 Q-N6 ch and mate next). If 1 . . . PxP, 2 P-N3 (threat 3 Q-N6), K-B3; 3 Q-Q7. If 1 . . . KxN; 2 P-B4! K-R4 (an en passant capture is ...

COLLECTING

Rocking back the clock

BY JANET MARSH

The Silver Beatles, a rare original print of Lennon, McCartney, Stuart Sutcliffe and Johnny Hutchinson auditioning for Larry Parnes, the Promoter

IT IS 30 years since Elvis Presley made his first recording, and 25 since Lennon, McCartney and Harrison first performed together. The original fans are well into middle age, and a whole teenage generation has grown up since the Beatles disbanded.

The great age of rock 'n roll has been overtaken by the rosy mists of nostalgia. Nostalgia, of course, is one of the most marketable commodities of the times; and Sotheby's look for great things from their third auction of Rock and Roll memorabilia, which opens the autumn saleroom season on September 1.

It must be admitted that the nostalgia has an odd savour of mortality about it too: it is not just that the very essence of the music is ephemeral, but it was a generation of so many untimely deaths. It seems no accident that Sotheby's catalogue is got up in such a funereal way, all in black with white lettering, and the dates, 1956-1983, displayed for all the world as if upon a gravestone.

The leading personalities featured in the catalogue are Elvis, John Lennon, Buddy Holly, Stuart Sutcliffe, the Beatles' first bass player, Marc Bolan, all of whom died young or youngish. There is a sense of the finite about all the relics associated with them — Elvis's signature, Bolan's Zandra Rhodes shirts, scribbles from John Lennon's own hands.

An ancient Broadwood upright piano, in ebonised wood with its fretted front all broken bears a brass plaque inscribed, "On this piano was written: A *Day in the Life, Lucy in the Sky with Diamonds; Good Morning, Good Morning; Being for the Benefit of Mr Kite and Many Others. John Lennon 1971.*"

It is the plaque and the association which raises the value of the instrument from £100 or so to £10,000 and upwards.

Sotheby's R-and-R man, Jon Baddeley, says buyers at the Rock sales cover a much broader age and economic spectrum than most collectors' auctions.

The biggest spenders — the sort of buyers who might go for the piano or for presentation gold discs—are people in the music world, contemporaries of the artists themselves, who have made it into the big time and now enjoy surrounding themselves with this kind of memorabilia.

A group of letters sent home to his sisters by Stuart Sutcliffe when he was on tour with the Beatles in the early 1960s is more likely to appeal to another group of buyers, with an academic interest in the music.

Sutcliffe was not the musical equal of his colleagues and gave up playing bass to resume his art education: he died suddenly of a brain haemorrhage in 1962.

The letters offer lively glimpses of relationships and aspirations in those early days. One discusses their new stage costumes: "black in beautiful material—with green lining—we were going to have red—too bright and too unsophisticated—blue—too cold so green it is. . . ."

The rock-and-roll sales attract another and unfamiliar group to the salerooms—young people in their middle teens. Even though they cannot remember the time when the Beatles were active, they are fervent fans, and eager to compete for items in their own price range: posters and commercial souvenirs from the Beatles era.

They have more chance now of getting Beatles autographs than at the time of the first sales. The high prices achieved for the first autographs sold served to bring to light something of a glut of signatures, with a consequent steadying of prices.

A Lennon signature with a scribbled caricature attached can still, however, command a price in the hundreds of pounds.

No other artists can compete with the saleroom appeal of Elvis and the Beatles. Elton John, Cliff Richard and even Rolling Stones items are anticipated to realise comparatively modest prices. A more ambitious buyer might, however, bid something in the region of five or six thousand pounds for Keith Richards' 1950 Pontiac Chieftain "Silver Streak."

A group of items associated with Marc Bolan and T-Rex are still more unpredictable: it is the first time any significant items associated with this artist have been sold. Born Mark Feld in Hackney in 1947, Bolan had a brief and spotty career, though he was in the process of a come-back when he died in a car crash in 1977.

A number of manuscript song lyrics read like the "automatic writing" of the surrealists—"I have never kissed a car before is like a door." Bolan was particularly known for the colourful elegance of his stage costumes, and several lots of these will give the fan-fetishist the opportunity to acquire waist-coats, shoulder-bags, brightly coloured suits, a leopard skin jacket and glitter dungarees once worn by the deceased star.

The "Gold" presentation discs which commemorate sales of a million or half million or even a quarter of a million dollars' worth of *discs* figure very large in the sale. Sotheby's believe that people do not collect these discs for their own sake, but for specific individual associations.

Somewhere, they feel, there is a collector eager for Barry Manilow's or Gene Vincent's or Jerry Greenberg's gold discs: at least they have estimated them to realise between £400 and £700 each, which may seem quite a lot of money, until it is compared with the £2,500-£3,500 anticipated for Ringo Starr's "Abbey Road" a "gold" disc.

Not everything in the sale is of purely associational or sentimental interest. What could be more eminently practical—if you have a use for it—than the Rolling Stones' Lotus stage which they comissioned, at a cost of $200,000 for their 1975 tour?

Seventy-one feet in diameter and 12 feet high the stage is in the form of a six-pointed lotus flower with static central section and moving "petals" tilted by hydraulic rams. A condition of the sale of this unique but bulky item is that the purchaser is not allowed to publicise the Rolling Stones' connection with it. Mum's the word.

Chips at last on the postman's menu

STAMPS

JAMES MACKAY

IN NOVEMBER 1981 the United Nations General Assembly adopted a resolution proclaiming 1983 as World Communications Year.

The aims of WCY are "to provide the opportunity for all countries to undertake an in-depth review and analysis of their policies on communications development, and to stimulate the accelerated development of communications infrastructure. World Communications Year, through the activities that it has engendered, will provide better communications; and, in turn, better living conditions."

So far I am only aware of one activity which WCY has engendered, and that is the issue of stamps in many parts of the world. The British Post Office has ignored this worthy event, perhaps taking the line that its communications are incapable of improvement.

To be fair, we should remember that two stamps were issued last year with the theme of information technology and admirably dealt with the subjects of communications development and modern technological aids.

Communications is such a broad subject that hardly a day goes by without a stamp being issued somewhere that would fit neatly into this theme.

One of the pair being released by the German Democratic Republic at the end of this month in honour of the Leipzig Autumn Fair shows a silicon chip—the first time that this handy tool of micro-electronics has appeared on a stamp.

The German stamp is priced at a modest 25 pfennigs—a far cry from the $9.35 stamp which the U.S. launched on August 14 primarily for use on express mail (though this does not actually appear in the inscription). Arguably, the most expensive stamp in the world today. It meets the postage on items weighing up to two pounds sent by the Express Mail Next Day Service.

The ordinary letter post, though cheap at 20c, no longer guarantees next-day delivery even for local mail, and businesses have become accustomed to using the express system for urgent mail.

The service is now being made more convenient to the general public by means of the special stamp. Making a virtue (or at least a profit and some publicity) out of necessity, the USPO has arranged to convey between 250,000 and 300,000 covers bearing the stamp as part of the cargo on the shuttle flight scheduled for late-August.

The covers will bear a special *postmark celebrating the silver* jubilee of NASA and after the return of the shuttle the covers will be mounted in a souvenir folder and sold for $15.35, the $6 premium to be split equally between NASA and the postal service.

Stanley Gibbons, as the agent of the USPO in Britain, will be handling these folders, on a first come, first served basis, at a price in the region of £12.30p.

Other recent stamps with a communications theme include Berlin's 80pf celebrating the 150th anniversary of the Berlin-Coblenz optical-mechanical telegraph line, and a handsome set of five from Sweden marking the quincentenary of printing.

Holland's Europa issue, devoted to "great achievements of the human mind," has chosen communications as the theme of two stamps showing a newspaper and the European Communications Satellite (ECS) respectively.

The stamps specifically honouring WCY are the usual mixed bag of the symbolic and the purely pictorial. The UN itself has opted for the former with stamps in English, French and German, and expressed in U.S., Swiss and Austrian currency, for use in New York, Geneva and Vienna respectively.

Lorena Berengo and Haons Lohrer, both of West Germany, designed the set, which has been printed by Walsall Security Printers of England. Surprisingly, none of the UN stamps features the official logo of cables entwined to form a Celtic knot, but this is depicted on one of Taiwan's stamps as the principal motif, and shown alongside the globe on the other.

It is also the main feature of the £1 stamp from the Netherlands Antilles which includes a montage of communications equipment. Brazil's 250cr stamp highlights telecommunications by satellite, with its symbolic sky chart, arrows and satellite motif by the Portuguese artist, Licinio de Melo.

Hans-Jorg Bolzhauser has produced a symbolic representation of human relationships as the motif for the Swiss 80c stamp. The logo and symbols of flight and communications also grace Iceland's 30kr and Australia's 27c stamps.

Pictorial designs have been used by Kenya, whose set of four show communications by satellite, telephone, air and sea, and rail and road. Nauru's series of five ranges from an earth satellite station and jet aircraft to the paging system used by hospital staff.

The most colourful and attractive set, however, is the quintet from Jersey which looks back to the time of Charles Le Geyt, the island's first postmaster, who was born 250 years ago.

The stamps, designed by A. R. Copp, show Le Geyt at the battle of Minden where he served in the 63rd Regiment (8p), the London-Weymouth mail-coach carrying the Jersey *mail* (11p), the cross-Channel packet repelling a privateer during the Napoleonic Wars (24p), Mary Godfray delivering letters in Hue Street (26p) and the first mail steamer in 1827, the year of Le Geyt's death at the age of 94 (29p).

Reds in your flower beds

GARDENING

ARTHUR HELLYER

FOR MANY years it seemed that white to yellow was the colour range fixed by nature for the shrubby potentillas. Even the arrival of Tangerine after the war did not greatly alter this view since the name was an exaggeration of the orange yellow colour of this very attractive but rather shy flowering variety.

So when Red Ace appeared in 1975, a really orange-red potentilla, it was a sensation and was at first regarded as an entirely new mutation appearing under the artificial conditions of garden cultivation.

But it was not so. About 1920, Reginald Farrer on his last and fatal plant-hunting expedition to the high mountain ranges between Burma and China, had sent home a few seeds which he labelled "Potentilla, Red Flowered."

There is no record precisely where or when he found these red flowered plants nor what kind of red they were but it is known that the seeds were germinated at the then famous Slieve Donard Nursery at Newcastle, Co. Down and that nothing unusual appeared among the seedlings.

However Leslie Slinger, son of the proprietor to whom the seeds had been sent, persisted in raising generation after generation of seedlings from these plants in the hope that something would turn up and eventually his faith was rewarded by the appearance of Tangerine.

It would seem that all subsequent pink and red potentillas are in some way related to this variety but it would also seem probable that there are more wild red potentillas to be found. Maybe as travel facilities with China improve these and many other as yet unknown plants will be discovered to delight garden owners the world over.

Potentilla Red Ace appeared as a chance seedling in Dr David Barker's garden at Hopleys, Much Hadham, Herts. Since then he has raised many hundreds of seedlings and found among them numerous variations in the orange, pink, rose and red colour range.

To my eyes one of these, with flowers of rose-pink backed by cream and named Royal Flush, is even more attractive than Red Ace. Another delightful variety, not of his raising is Daydream in shades of peach pink and one of the most recent to appear is a clear pink named Princess.

This was a chance seedling from Tangerine which turned up in a Scottish garden and it is now being distributed by Bressingham Gardens, Diss, Norfolk. I planted it a few weeks ago but it has not yet flowered so I cannot report on its performance.

Another apple blossom pink potentilla which I have grown for several years has proved shy flowering and yet I have seen it flowering freely in and near Aberystwith where it was raised. This makes me wonder whether we have fully understood the conditions that shrubby potentillas enjoy most. The only species native to this [illegible] varieties, but it grows wild only in damp and rocky places in Upper Teesdale, the Lake District and, in Ireland, in Clare, Galway and Mayo. Farrer describes the incessant rainfall in the mountains where he made his last collections and then died of fever so it may well be that the moist air and high rainfall of the west coast of Wales are far more congenial to potentillas than the much drier air and soil of the Sussex-Kent border.

It has been suggested that poor flowering of shrubby potentillas is caused by attacks by red spider mites and this would tie up with the idea that potentillas like damp air, for humidity spells death to the mites which thrive best in a hot dry atmosphere.

I have examined my shy flowering pink potentillas for mites without success but maybe I have not looked sufficiently closely at precisely the right time.

The most consistently and persistently free flowering potentilla I grow is a white named Abbotswood, presumably raised in the famous garden of that name at Stow-on-the-Wold, in the Cotswolds. I cannot think of any other shrub which flowers for such a long period, starting in late May and continuing until the autumn. There are plenty of good yellow potentillas such as Goldfinger, Klondyke and Katherine Dykes and lighter shades such as Primrose Beauty but in my garden none matches up to Abbotswood.

Some potentillas have grey or silvery leaves and this seems to me to be a great attraction. The best for foliage is Vilmoriniana, a rather tall potentilla with silky, silvery hairs and flowers of palest cream.

Some authorities rate Primrose Beauty higher, and maybe for flower effect this is true, but its leaves are grey-green, not silver. Both varieties received Awards of Merit after ground trials at Wisley in 1965 and must be rated in the top class.

Three wild potentillas have contributed to the production of the garden races. One of them, Potentillas fruticosa, I have already mentioned. It is widely distributed in the colder parts of the northern hemisphere and is typically a bush up to 4 ft high. A second, *P. davurica*, is confined to parts of Siberia, China and Tibet and may well be the species which Farrer discovered with red flowers.

It is known to produce forms in which the calyx is red and it would seem possible that the colour might sometimes spread to the petals. The third species, *P. arbuscula*, grows in the Himalaya, south-eastern Tibet and some parts of China and is normally a shorter plant not exceeding 2 ft in height.

This makes it specially useful as a front-line or rock garden shrub. The species has quite large deep yellow flowers and a form of it with lighter yellow flowers is known in gardens as Elizabeth.

All these potentillas are fully hardy and easy to grow in a wide range of soils. It is not essential to prune them but they do tend to make so much dense growth that a fairly extensive thinning out of the older stems improves their appearance and performance.

It is best done in March and at the same time some of the [illegible] shortened.

SPORT

Banned jockeys: Dominic Wigan reports

Winning's not enough

Targets of the stewards . . . Carson, Piggott and Canthen

IT MAY or may not be true that "the word has gone out" from the Jockey Club's Portman Square headquarters in London that a tougher policy must be pursued against jockeys considered to have broken the rules. However, almost everything that has gone by over the past few months supports that conclusion.

Lester Piggott, Willie Carson and Steve Cauthen have been disciplined. And lesser jockeys and apprentices all over the country have felt the rough tongue of local Jockey Club stewards on issues ranging from careless to reckless riding.

What is more their appeals made against suspension have usually met with a less than favourable response.

To the senior jockeys the recent surge of activity from usually elderly local stewards not previously noted for either their energy or zeal was at first irritating and then worrying.

Walter Swinburn, the young jockey whose name will always be associated with Shergar, is in no doubt that many stewards have been over-reacting recently. Referring to an Ayr race which saw his colleague Paul Cook picking up an eight-day suspension, Swinburn said: "I think Paul has got to appeal. The gap was there and he was halfway through it when they tightened up.

"Frenchie Nicholson always taught us to go for a gap and take a chance and my governor Michael Stoute always likes me to go the shortest way.

"But jockeys are now having to ride to be careful. The game is about winning and I hope they will rethink it all."

Swinburn, who lost an "armchair" Irish Derby ride on Shergar to Piggott through being suspended was, himself, the beneficiary recently as he picked up mounts earmarked for the champion when Piggott fell foul of the Goodwood stewards.

No race all summer has caused greater controversy than Goodwood's OCL Richmond Stakes. Hopelessly boxed in with a wall of horses to his front and left until near home, Piggott then "opened up" a minute gap for his 3-1-on favourite, Vacarme on the far rails in order to retain the colt's unbeaten record.

Here the controversy over the outcome to the inquiry did not primarily concern the stewards' dealings with Piggott, but i[nstead] centred on the rights and wrongs of placing a runner la[st] and the question of whether [a] horse and his connections shoul[d] in the majority of circumstance[s] take the lion's share of th[e] rap when the majority woul[d] prefer to see only the jocke[y] penalised.

*Vacarme displayed an ove[r]*whelming superiority over h[is] rivals at Goodwood, and Piggo[tt] was found guilty of only "car[e]less riding." In such a ca[se] everyone (particularly o[n] course punters) would prefer [to] see the stewards operating fro[m] a more flexible set of rules.

In many cases this would lea[d] to the placing remaining u[n]changed with only the jocke[y] feeling the effect of his allege[d] transgressions.

It remains to be seen wheth[er] any imminent changes a[re] planned to the Jockey Club rule 153 (III) which cove[rs] careless, improper, reckless a[nd] dangerous riding.

With things as they are, J[oe] Mercer's outburst that "som[e] people won't be satisfied un[til] they've got us racing on railw[ay] lines"—will not seem unfa[ir] comment.

Athletics: James French at Crystal Palace

A weekend of champions

JUST WHAT is the problem? The Europe Cup athletics finals today and tomorrow at Britain's beautiful but bijou Crystal Palace National Stadium (capacity a modest 17,000) should have been a sell-out weeks ago.

They should have been sold out after last week's highly successful first World Athletics Championships in Helsinki which virtually filled a 60,000 *stadium* for more than a week.

Almost a score of world champions will be competing at Crystal Palace—five of them East German women plus Cram, Wuelback, Cova, Hoffman (the Polish triple jumper) and the rest.

Incredibly, Czechoslovakia's Jarmila Kratochvilova, women's world champion at 400 metres and 800 metres, is booked to run *in the 100, 200 and 400.* In fact today she is due to run in the 100 at 2.25 pm and the 400 at 3.20. Can she do it?

There is a late whisper that she will, after all, run the 800 and miss the short sprints, thus avoiding taking on East Germany's world champions, Marlies Goehr (100) and Marita Koch (200), the girl who won three golds and one silver at Helsinki. However, a few years back, Kratochvilova did compete in five events for her country in one meeting.

So, a feast of good sport, room for families to picnic in the green surrounds, and not yet a sell-out. Are the sports lovers of London and the south waiting to see if this super summer weather will be on duty this weekend?

Or is it that television, the BBC in particular, covers athletics so well, so that no titbit is missed (in the stadium there is often a surfeit of things happening at once so that the spectator cannot take in everything).

Or is the marketing of British athletics at fault? I don't know the answer, but I do know that the BBC's commentators, confident of their own audience, have been generously appealing for folk to turn out and cheer Britain's medal heroes and the other European greats this weekend.

It is far cheaper than a se[at] *at the FA Cup Final* [or] Wimbledon—and easier to g[et] a ticket.

It is odd that missing fro[m] Britain's team will be wor[ld] record holders Seb Coe, Ste[ve] Ovett and Dave Moorcroft, a[nd] world, Olympic, Commonweal[th] and European champion Dal[ey] Thompson, who declined t[he] long jump place.

One wonders if Ovett ha[d] known about the exploitatio[n] of Kratochvilova's versatili[ty] he might not have opted for t[he] 5,000, the 400m hurdles or t[he] pole vole, but, alas, this w[as] not to be—yet.

Eight countries enter o[ne] athlete for each man's even[t] and eight in the women['s]. Countries in both finals a[re] Britain, Russia, the tw[o] Germanys and Poland. The[re] will be no anthems to hail v[ic]tories, and flag-waving will [be] discreet.

It will be taking further t[he] success of the world cha[m]pionships in being le[ss] nationalistic, and far less poli[ti]cal than the Olympics. Spo[rt] rules, OK!

Trevor Bailey on cricket's greatest charm

Who would have thought?

CRICKET'S greatest charm is its unpredictability and this summer is providing more than its share. Who expected India to qualify for a semi-final in the Prudential World Cup, let alone beat Australia, England and the West Indies in one incredible week to carry off the trophy.

The most fascinating feature was that their triumph was not achieved by their powerful batting line-up, but by their bowlers, who, apart from the admirable Kapil Dev, would not command a place in the present England attack, which is rather limited, even though we lead New Zealand by two games to one.

The final Test of what is proving a very interesting series starts on Thursday. Both teams, though distinctly short of genuine class, are well matched, so it should be another absorbing contest.

Although the odds suggest Bob Willis, who is probably bowling better now than ever, will take the rubber, much could depend on the Trent Bridge pitch, which, like the game itself, has in recent years acquired an unpredictable reputation.

Essex, rightly famed for repeatedly producing the unexpected, have excelled themselves this season. In their recent top-of-the-table clash with Middlesex in the Schweppes Championship, they shot out the Londoners for 82 and then saw them save the game with a massive 548—7 in

Earlier, Keith Fletcher and his merry men appeared to have Hampshire well beaten at Southend only to let them climb off the floor to record their highest-ever second innings total and win the match.

After two setbacks of this magnitude, it is surprising that Essex still have a chance of taking the title.

However, Essex's most remarkable feat was dismissing Surrey for 14. This would have been sensational, if it had occurred on a bad pitch, but to happen on the same day as Essex had put together a respectable total, including a Keith Fletcher century, does not make sense, except, perhaps, to Essex supporters?

Although cricket is unpredictable, a sure and trusted recipe for winning matches is a balanced side with a batting line-up containing strokemakers, a couple of reliable grafters and a resilient tail, a powerful and varied attack, an outstanding wicket-keeper, and fielders who accept the majority of their catches.

In the limited-overs game, containment of the opposition combined with a big total are normally sufficient to gain victory, but in three-day cricket it is usually necessary to dismiss the opposition twice.

This requires bowlers who are effective in all conditions, which is exactly what Middlesex possess and explains why, until the losing stages of their exciting Nat-West semi-final on Wednesday, they appeared well [equipped as a] county to capture three honou[rs] in one season.

They are neither the strong[est] batting nor the finest fieldi[ng] side, but their attack is u[n]questionably the most balanc[ed] and penetrative.

The most satisfactory featu[re] of the Middlesex success sto[ry] in a seam-dominated era h[as] been the large part played [by] their spin twins John Embur[ey] and Phil Edmonds.

At the moment of writi[ng] Emburey, with 79 victims, is t[he] leading wicket-taker in t[he] country, while only the redou[bt]able Underwood with 76 wick[ets] has captured as many [as] Edmonds. And they ha[ve] proved effective and econom[i]cal in limited overs cricket.

During the Benson s[emi-final and] Hedges final, Emburey's [...] overs cost only 17 runs, le[ss] than any of the pacemen, wh[ile] Edmonds secured two vi[tal] wickets, McEwan and Fletch[er] and conceded only 34 runs.

In these circumstances, it [is] difficult to understand why, [on] a pitch taking a little sp[in] Emburey bowled only thr[ee] overs in the Nat West semi-fi[nal] against Somerset. This, in m[y] opinion, cost them the mat[ch].

Presumably, after Ian Botha[m] had picked up Emburey for o[ne] spectacular six, Gatting decid[ed] not to run the risk of a possib[le] all-out assault on his offspinn[er] by the rumbustious Ian, ev[en] though the odds of its succee[d]ing were very remote.

The Middlesex capta[in] decided to play safe with sea[m] and kept him out of the fir[st]

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The world-wide black economy

HESE are puzzling times. The K stock market is rising to ɜw highs every day, yet the ficial statistics tell us that outıt is still virtually static except in the motor industry, hich really is having a boom). he statistics tell us that the .S. economy has slid into heavy ırrent account deficit; yet the rength of the dollar has been ɪe of the main new items of ɪe summer. Last week it arted to slide sharply, and e many stale bears among the recasters rejoiced audibly. ɪis column, which prematurely lebrated the fall of the dollar most exactly a year ago, is not sure; the correction seems r the moment to have petered ıt, after the closing of some posed long positions.

Overshooting

When market movements and onomic statistics seem to long to different worlds, ere are several standard "explanations" (actually they are ɪesses), each of which is supported by some underlying uth. The least helpful, perɪps, is that the speculators e running the markets. It is ue that bull and bear markets ɪve an internal momentum of eir own, so that financial arkets are said to have a tenncy to overshoot; but this, cording to the theorists, is e result f too little speculaon not too much. In any case, ɪershooting can be identified ıly with benefit o fhindsight ɪd hindsight cannot be used r forecasting.

Those who still suspect marts of overdoing the optimism ɪould remember a second famiar adage: market expectations n be self-justifying. A mart boom makes shareholders el richer and spend more, and encourages companies to raise w capital. Keynes spoke of animal spirits" as an Importɪt factor in the economic cycle; e stock market iodex is perɪps the most reliable indicator animal spirits we have, which why it is used officially as leading indicator of the onomy.

Indeed, one fashionable ɪalysis of the strength of the ɪllar is based on the same idea at real events originate in ɪe financial markets, rather ɪan the other way round. If ɪu say that the dollar is strong hile the current account Is eak, it looks like a paradox: ıt if you say that the current count is weak because the ɪllar is strong, it looks like mple cause and effect.

It is easy enough to suggest asons why the dollar might be rong—the level of interest ıtes (though this does little help currencies perceived as eak, like the lira), the deand for dollars to pay debt terest, the desire to join in the all Street boom, and the flight capital from less politically stable countries. There is something in all of this.

However, there is a third school of thought which could, if taken to extremes, simply abolish the problem: it is the suggestion that the statistics themselves are wrong. People are more truthful when they are investing their own money than wben they are filling in official forms, so the markets know batter than the statisticians.

Guesswork

Many of the errors in the statistics must for ever remain a matter of guesswork; the debate on the size of the domestic black economy can never be settled. Sometimes, though, we are offered a glimpse *which shows* that the missing numbers are not trivial. The most notorious at the moment concerns the balance of payments statistics. Learned working parties at the IMF, the OECD, and other places where policies are built on statistics are agonising over the most embarrassing question of 1983.

As every schoolboy knows, one country's import is another country's export. *How is it*, then, that the total recorded imports of the world seem likely this year to exceed its total recorded exports hy the sum of $100bn ? One hundred thousand million dollars is no mere slip of the pen. Something like 6 per cent of total world trade has vanished down some statistical black hole.

This residual error is enough, among other things, to account for the forecast U.S. current account deficit four times over —a fact which bas inspired Morgan Guaranty Trust to ask whether the deficit really exists at all. Certainly some of the plausihle explanations of the error would favour the dollar. For example, rich Latin Americans who have salted away capital in the U.S. probably don't take home the dollars recorded as paid out to them. Nor do the Third World exporters who will smuggle their goods ont rather than accept official regulations and exchange rates.

Irrelevant

Other observers cast their doubts wider. One academic study in the UK showed that revisions to the official statistics after they are published are commonly twice as hig as the changes reported at the time, and may be in the opposite direction. One New York investment analyst brushes aside all discussion of what he calls "the statistical economy" as irrelevant to real world investment; and as everyone knows, Italy is kept afloat by Its unrecorded economy. There is quite a respectable case, then, for thinking that the markets may know best; mere statistics shouldn't disturh the holiday season.

INTERFERON AND CANCER

The promise that wasn't

By Carla Rapoport

CANCER, the common cold, herpes, AIDS—interferon was once expected to be a cure for them all. A wondar substance, used by the body as its own first-line defence against viral infections, interferon seemed to offer the hope that some of the world'a most troublesome diseases could be tamed.

This week, however, major drug companies and Britain's top cancer research institute confirmed that tests using alpha-interferon against the most prevalent forms of cancer were being ahandoned for lack of any promising results.

The body prodnces three kinds of interferon—alpha, beta and gamma. The last two have yet to be fully tested and tests with alpha-interferon in conjunction with other anti-cancer therapies are now heing considered or underway, as is intensive testing on the less common cancers and in the anti-viral arena. None the less, the promise of interferon has dramatically faded since the heady days some three years ago when the substance was first cloned.

In the context of the international drug business—which pumps more than $8bn a year into research—the interferon story is unique. The substance, and its exciting potential, was discovered as early as 1957, yet commercial interferon didn't arrive until 1980. Probahly never before had scientists waited so long to test on patients a drug thought to hold such promise for curing disease. Understandably, perhaps, their excitement spread like wild-fire to the lay Press even before the substance had been tested for safety, let alone as a cure for cancer.

"Thera were some very unrealistic expectations not so very long ago," says Dr Seth Rudnick, head of clinical trials in the U.S. for Biogen, an international biotechnology group which supplies interferon to Schering-Plough of the U.S.

These unrealistic expectations led to "wonder drug" headlines world-wide and to stories about the extraordinary cost of the "miracle" substance. As late as 1980, Lord Rothschild, the Cambridge biologist, was pointing out that interferon was worth "hillions of dollars per pound" because of Its scarcity.

By the end of last year, Biogen was giving It away to qualified researchers. The genetic engineering process, despite its glamorous reputation, was not as expensive as feared.

Even the most experienced were unahle to imagine interferon's dramatic change in status. "We had the distinction of spending £1m for our interferon," admits Dr Michael Crumpton, deputy director of research at the Imperial Cancer Research Fund in the UK. The group recently wound np its research with alpha-interferon on breast and rectal cancer, *owing* both to *unpleasant* side-effects and a lack of encouraging results.

The buhble began to burst very quietly at the end of last year. At that time, Schering-Plough says It informed a group of Wall Street analysts that tests on hreast, lung and colon cancers were not yielding promising results. And earlier this year, the British Medical Journal pointed out that interferon had a low response rate when used as a single agent in advanced cancer cases.

The companies have not made much of these results to the public, concentrating instead on those cancers where alpha-interferon does seem to have some effect. These include lymphomas, melanomas, leukaemia and renal cancer. It's an unpleasant fact of life, however, that these cancers account for barely a tenth of those found in the developed world.

Still, unlike the independent medical community, very few members of the drug industry are *willing to admit* that interferon's role in medicine will be much less significant than that envisaged some four years ago.

Indeed, all the wild cards in the interferon deck have yet to be played. *Beta- and gamma-*interferon are still in the early stages of testing; beta looks less promising for cancer therapy, gamma more so. In the light of the alpha experience, however, expectations for gamma from scientists like Dr Rudnick are necessarily more subdued.

The common cold sweepstakes also look less promising these days. Schering-Plough, the Wellcome Foundation in the UK, and Hoffmann-La Roche report "encouraging" results in the anti-viral field, but scientists admit that interferon will not cure colds, just prevent them.

"After the embarrassment faced by the early leaders in the interferon field, no one is saying anything positive about anti-viral uses until we can say Eureka or bust," says Mr William Gerard, managing director of Hoffman-La Roche UK.

Nevertheless, work is continuing on a $100m investment by *Schering-Plough in a plant* to produce alpha-interferon in Ireland. Sumitomo Chemical in Tokyo also intends to spend Y1bn on a similar facility.

"Anyway, the story of interferon is not over," stresses Dr Crumpton. But It is no longer so exciting.

Headlines from 1980, when interferon was hailed as a possible "wonder drug"

The slow and painful road to a breakthrough

LAST MONTH, when there was news of a "breakthrough" In cancer, a conversation between cancer research workers not far from this office went along these lines. "Let's award 10 points for the hreakthrough, then deduct one point for every 'if'. It always ends up in the red."

This time the tally of "ifs" Is particularly hig because the work is still at such a fundamental stage, so far removed from the patient who actually has cancer. Nevertheless, the headlines were large and euphoric. They have sparked a row between the journal Nature, where scientists traditionally publish their discoveries and the Imperial Cancer Research Fund which it accused of hucking tradition in order to win kudos in a fiercely competitive international competition.

Kudos In cancer research means cash for the scientists; hig money, for the public will donate lavishly to the cause of *curing cancer, whereas it* is relatively apathetic about many other miserably uncomfortable and unsolved problems of medical science.

But the cancer research centres are usually well aware of the fine line they must tread between public acclaim and scientific credihility. There are examples of centres which oversold the "breakthroughs" and found their best cancer scientists drifting away.

Cancer is complex because It is not a single disease hut many, prohably more than 200; and these moreover are diseases in which the function of normal cells goes only slightly awry. But the net effect is that in Britain one person in three suffers cancer in his lifetime, men slightly more probably than women. Lung cancer (29 per cent) is the dominant one in men, breast cancer (23 per cen) in women. Skin cancer comes next in both sexes.

Cancer is not incurahle. Skin cancer can almost always be cured. Cancers of the bladder, prostate, colon and rectum in men also respond fairly well to the latest treatments; and of the uterus, cervix, breast and rectum in women. Two-thirds of all deaths from cancer in Britain are in people of 65 or older, with the risk increasing steadily with age. Altogether, It kills about one Briton in five.

Present-day treatments for cancer are harsh and unsubtle. They aim to remove the diseased tissue and prevent it from spreading. They do not challenge the problem of why living cells ran amok in the first place. They rely on surgery, and on radiation and drugs to kill off the cancerous cells.

Mnch of cancer researcb aims to refine these techniques—for example, to find better radiation heams, safer drugs and drug mixtures, and to explore the use of the new body scanners to learn more about the tumour of a particular patient and follow Its progress during treatment.

Interferon excited the cancer experts because there was genuine evidence that It might successfully treat tumours and (because It is produced naturally in the body) that it might be much less toxic than other cancer drugs.

For two decades the prohlem was how to obtain pure interferon in adequate amounts to test it properly in patients. In fact, some of the new bio-entrepreneurs used the promise of interferon energetically to promote their fund-raising. In the event, alone at least, the drug is neither effective nor harmless. The body Is very efficient at getting rid of Interferon, which means very big doses must be used, making the patient feel pretty sick. And the effect on the cancer itself is slight.

What, then, are the prospects for a cure for cancer, a scientific quest that will cost around £50m in Britain alone this year? Most of this money is raised by two big research charities, the Cancer Research Campaign and the Imperial Cancer Research Fund.

First, all bope has not been abandoned for interferon.

But two further scientific discoverics have come to the fore as a result of advances in bio-technology. One is the discovery of monoclonal antibodies in Britain in the mid-1970s. Cambridge scientists showed how to make these pure antibodies, derived from a single clone, instead of the cocktail they had previously been obliged to work with. Antibodies are the front line of the body's defence against any disease.

The significance of this lies in the specificity of the monoclonal antibody. If the right one can be found It can be made to home in on one specific part of a living cell. In the case of cancer, the aim is to make the antibody home In on that part of the cell unique to cancer cells, leaving healthy cells alone.

The possibility of using monoclonal antibodies in this way opens two big opportunities for the treatment of cancer. One is to make the recognition of cancer easier and more accurate. Because the differences between healthy and cancer cells are so slight, it is not always easy to recognise the disease from a smear or snippet of tissue under the microscope. The hope here is that cancer cells can be unam*biguously labelled* by *a* monoclonal antibody, in a way that the pathologist cannot fail to recognise.

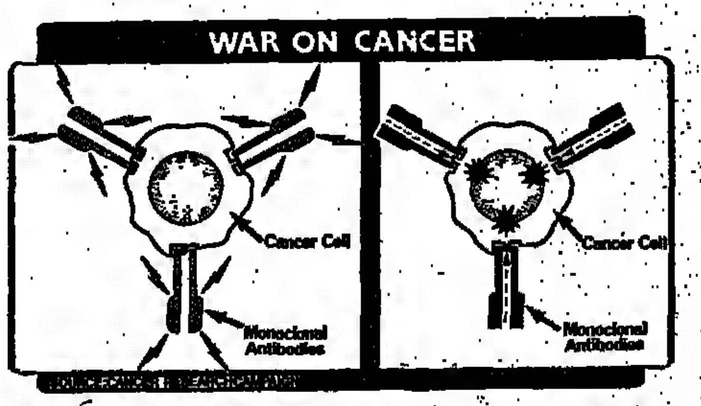
The second big opportunity for monoclonal antibodies in cancer lies in devising a more specific delivery system that would carry a death-dealing drug to cancer cells only. In both cases it is unlikely that a single monoclonal antibody will be discovered to deal with all 200-odd varieties of cancer. But the current hope is that a small armoury might serve the purpose.

The other big area of current excitement in cancer research lies at the molecular level of explaining the control mechanism within the living cell, and hence what might go awry and cause cancer. The big research investment in such sciences as molecular blology and tumour viruses during the 1970s, has begun to pay off in recent explanations of the role of the "oncogene" or cancer-causing gene.

The healthy cells, oncogenes have roles in controlling cell growth. In cancer cells it is now believed that oncogenese lose control and allow cells to grow and grow. Different explanations for this loss of control have been advanced for different kinds of cancer.

While the molecular biologists seek to explain how cells work, more pragmatic cancer researchers have been trying to *find drugs that would* slow or stop excessive growth when the oncogenes lose control. They hoped that interferon might prove a potent but safe anti-growth factor.

David Fishlock



How monoclonal antibodies may revolutionise the treatment of cancer by (left) acting as a transmitter to pinpoint cancer cells and (right) by guiding a cell-killing drug to cancer cells.

Letters to the Editor

Debts

From Mr P. Nutting

Sir,—Many of us involved in ısiness have had to face the ıality of assets which are ɪable to earn a return and ɪnnot be sold. In most cases ompt action by management ıly has a temporary effect on ofitability hut often a rather ore dramatic and longer effect ı the company's balance ɪeet.

Is it not time that interɪtional banks learned the me lesson? With few excepons they are declaring good ofit figures at the present time ı a basis whereby one would sume that interest on loans to oor countries in difficulties ill not be included in the venue account. Nevertheless ɪey persist in disbursing ırther loans to these poor ountries to enahle them to coperate in a pretence that the set (the loan to the poor ountry) cao be *realised* or paid. The simple fact ia that any countries have borrowed oney from banks and lost it. ırely It would be preferable r this fact to be accepted and r new money to be directed here it can do good rather ɪan to perpetuate an illusion.

So long as a bank is profitable nance ministers and central anks should address themɪlves to the balance sheets of ternational banks with these rohlems. It should not be imɔssible for them to devise a stem wbereby existing books business can continue to be aintained on smaller balance ɪeets which include only good ssets. Capital bases will have be rebuilt and there is oviously a case for banks not aying out profits to shareolders while this is happening. qually those responsihle must dmit their errors and this ıcludes governments which ave guaranteed much of the ebt through organisations such the Export Credits Guarantee epartment.

Surely bankers who spend uch time making their custoɪers face reality should now interest rates the prohlem won't just go away.

Peter R. Nutting.
North Breache Manor,
Ewhurst, Surrey.

Tourism

From the Deputy Chief Executive, Trusthouse Forte

Sir,—Normally I would not bother to reply to Mr Lawson (August 17), the acting national officer of the Hotel and Catering Workers Union, as his latter displays his ignorance of our industry.

Readers will judge for themaelves whather they believe that the wages of waiters and waitresses are "not made np by tips." The rest of what he writes is selectively biased by omission and his admitted lack of up-to-date information.

Mr Lawson, however, cites as evidence of exploitation by this company the use of the "full weight of the law to deny employment rights to workers." The casual waiters involved in the case referred to were not and bave never been employed by Trusthouse Forte. That is a fact wbich has now been confirmed by the Court of Appeal.

It was not this company that sought to use the full weight of the law. In thc first place It was the casual waitars, egged on by the union, who commenced legal action. They were the plaintiffs, we were the respondents.

Now Mr Lawson seeks to distort tha facts and to accuse us of exploitation because we defended ourselves in a court of law. I trust that readers will not be misled.

As to his homily about the welfare of employees in the industry, It is not the union that has provided 30 per cent more jobs in the last 10 years, it is the employers.

Dennis Hearn.
86, Park Lane, W1.

Boost

From the General Manager, Harlow Council.

Sir—Two separate reports in ment to take steps to produce a sustainable boost to the British economy if a real recovery is to be got under way. On the one hand retail sales remain buoyant, while on the other hand the construction materials producers warn of a new downturn in output.

It may be unfashionable to turn to historic trends to produce answers to the current recession but the fact remains that it bas been an upturn in the construction industry which in the past has been the means of ending economic slumps. This vehicle should now be used again if increased domestic spending is not to be syphoned off into imports. Yet in failing to meet the justifiable criticisms of local government of the current restrictions on its revenue and capital expenditore the Government is actually preventing an increase in house-building activity for which it had planned.

Last year, local authorities spent £800m less than the Government planned on new house-building. This expenditure would have been a major ana welcome boost to the economy as a whole, hut another underspend will take place this year unless changes are made quickly in the tight web of controls which are preveoting local authorities from letting *new housing contracts. Only* a complete rethink of these controls can enable a real and sustainable boost to be made to the construction sector and thus to the British economy.

Martin Easteal.
Town Hall, Harlow, Essex.

Hospitals

From the Chairman, Hospital Laundries Committee, Association of British Launders & Cleaners/British Textile Rental Association.

Sir,—Mr Penwill (August 17) is incorrect. Medical and nursing staff do not have to lose their jobs. On our estimate at least 10 per cent of the £171m the National Health Service could he saved hy putting laundry and linen provision contracts out to competitive tender.

In the light of the Chancellor of the Exchequer's recent announcement of a £140m cut-back in NHS funding, such savings become even more necessary. They would be relatively easy to achieve through the medium of Department of Health and Social Security-approved legally enforceabla contracts which guarantee the maintenance of existing hospital *standards*. In fact the experience of bealth authorities in Europe, which regularly contract-out hospital laundry and linen services, suggests that private launderers and textile renters would *often improve* both technical and service standards.

A saving of £17m a year on hospital laundry and linen would painlessly provide over *10 per cent of the reduction in* expenditure which district health authorities must achieve, so avolding cuts elsewhere which could be barmful to the welfare of patients. The savings would continne eacb year, enabling health authorities to devote extra resources to patient care.

£17m a year would pay the salaries of over 2,300 extra nurses, or provide 3,420 kidney dialysis machines. In the interest of their patients, district health authorities sbould start competitive tendering procedures for hospital laundry and *linen services immediately.*

Arthur Kennedy.
319 Pinner Road,
Harrow, Middx.

Charges

From Mr C. Guttridge

Sir,—Mr J. Berry (August 11) claims that dealing in unit trusts is no more expensive than buying and selling ordinary shares. His example, however, is a special case, a purchase followed by a sale at the same price. Front loading is not then between purchase and sale dealing costs work out less for individual shares than for unit trusts. Take, for example, the dealing costs for investments of £1,000, followed hy a sale after the offer price has doubled: individual share-purchase (£1,000), brokerage £19 (including Vat), contract stamp £0.30, stamp duty £20; sale (£2,000), market spread (1½ per cent) £30, hrokerage £38 (including Vat), contract stamp £0.60; total £108. Unit trust, 7 per cent of sale value (£2,000) £140.

Expenses for unit trusts are thus nearly one third greater than those of individual shares when values double, and the difference increases with further *appreciation in value.*

Moreover, at the time of purchase, the unit trust investor does not know what the price spread will be when he or she comes to sell. In a bear market *managers* may be tempted to iocrease the spread to discourage selling, and an investor might receive as much as 10 per cent less than the offer price, although not more than *13 per cent less, which is the* statutory limit. In my example a 10 per cent spread would ba £200.

To these costs must be addad tbc annual management charges, which could amount to £30 or more if the units were held for two or three years.

Only with falling values does front loading reduce costs, but Mr Berry cannot hava been *thinking of falling* values when suggesting that "up front" is by far the best way to pay for investments that are at all successful. It is not.

C. G. Guttridge,
14 Bucklands Lane,
Nailsea, Bristol

Credits

From the Director, British Chemical Engineering Contractors Association.

Sir,—Mr J. Dingle "Are export credits unequivocally a all British process plant contractors but, not surprisingly, suggests no solution.

Members of this Association would be delighted to compete with their foreign competitors "to supply the most efficient technology or the most effective project management" for they would then obtain a much greater share of the world market than they do at present. Unfortunately too many of their potential clients in the importing countries look only for the lowest price, the lowest interest rate and the longest credit. In these circumstaoces the UK has to stay in the credit race while trying to limit its worst effects by maintaining the "OECD consensus" for as long as possible.

Unless our contractors continue during this period of greatly reduced home demand to have export credit and other support commensurate with the support available to foreign competitors they can bardly be expected to maintain the strength and expertise which, in a few years time, will be in demand to replace the obsolesceot process plants lo this country and to design and construct the plants required to develop new sources of energy. If, in the 1990s, we had to rely on Japanese aod other foreign contractors and manufacturers to supply our home industries, today's suggested savings might oot seem quita so "cost effective."

R. Langford,
1 Regent Street, SW1

Wideawake

From Mr J. Francey

Sir, — Lombard's column (August 13) "An alternative to sleeping," reminded me that my most rapid promotion as a young engineer came after I fell over our nightshift manager lying sound asleep at the back of a little used drawing store. As I remember, the deal also included a measure of back pay.

John [illegible] Francey

Arthur Sandles on the travel industry's price war

The battle of the margins

IT HAS been a hot week in the travel business. A price war has started just as hundreds of tour operators are preparing themselves for inquisition by the Civil Aviation Authority, which must sort the financial wheat from the chaff as it issues new licences.

Britain's 600-odd tour companies are split into two halves for examination by the CAA. One half went through the mill in the Spring. In six weeks' time the other half must satisfy the Authority they have the resources to carry on for another year. Several companies failed the test earlier this year, but simply fading away rather than collapsing à la Laker. "That might have been just the tip of the iceberg," says the CAA. "Who knows what will show up this year."

There is little doubt that the CAA is getting cross with many of the tour operators. "Why do they wait for us to tell them they cannot carry on? They can see it for themselves. They just wait until we pull the plug and then blame us."

Mr Brian Smith, the CAA member in charge of licensing and a former PA Management Consultants man, is going to have to give some companies bad news over the next month or so. "The industry has more than doubled its number of licensed travel organisers in the past ten years, and the giants have consistently reported annual growth," he says. "But the market cannot be infinitely expandable and some weaker companies are bound to go to the wall if margins fall."

This week it seems that margins are indeed set for a fall. "We can take pressure on them," says Horizon chairman and managing director Mr Bruce Tanner, "because our margins start off healthy. There are many who are not so fortunate."

The CAA's own figures indicate that the amount of money operators make on each tour has been falling sharply in recent years. The average pre-tax profit was down to 2.1 per cent of turnover at the last count—say £4.20 on every £200 holiday sold. When it is realised that the top three companies, Thomson, Horizon and Intasun all make well over four times this, then the seriousness of the problem for the rest of the industry can be seen.

What has started the trouble this time is that Thomson,

which sells around 1m holidays a year to the British, is getting very worried about the growth of Intasun, which may end up this year selling not far short of 500,000.

A major plank of Intasun's growth has been an ability to undercut Thomson and Horizon—though as long as Intasun grew at the expense of smaller rivals then neither of the other two were particularly worried. But by last year Thomson had slipped from having around 25 per cent of the total market to nearer 17 per cent. Intasun, which did not exist a decade ago, had topped 10 per cent.

Last Christmas Thomson hit back by suddenly reissuing its main summer brochure with new, much reduced prices. The result was remarkable. Intasun's growth steadied while Thomson's market share rocketed to a present estimated 22 per cent.

To some extent the sufferer was Horizon, which has seen its share dip from around 9 per cent to nearer eight, and its expected carryings for this summer to drop to 320,000 from 334,000 in the summer of 1982. The real burden, however, seems to have been carried by half a dozen medium-sized companies, though none the less pressure was put on Mr Tanner, and now it is Horizon which is setting the pace.

Having been heftily undercut by Intasun yet again, it was Horizon which struck back first this month with new pricings for its winter sunshine programme, followed only hours later by Thomson.

On the icy slopes of winter sports a similar battle has developed, this time with claimed market leader Inghams cutting its prices in response to rivals in what is becoming a much-overcrowded field (and, incidentally, one joined for the first time this year by Intasun).

Intasun protests that it is not price cutting. "We do our sums and prepare our prices without seeing the other brochures," says deputy chairman Mr Stephen Matthews. "We do not see why we should add a tenner to our prices just to please Horizon and Thomson."

Matthews points to Intasun's own margin (more than 9 per cent) as an indication that the company is not being foolish in its pricing. But as his two major rivals battle to keep pace Matthews agrees with Horizon's Tanner that the real sufferers might be the middle sized companies.

"It is not the smaller, specialist companies which are at risk. They have their own niches. The ones who are exposed are the middle sized general tour operators." His remark about the smaller specialists is borne out by the fact that a recent survey of the industry showed that the highest margins were being earned by the relatively tiny Paris Travel Service, with a pre-tax profit of just over 20 per cent on its turnover.

Cutting prices does not, in itself, necessarily reduce either profits or margins.

The most important aspect of tour operating is the load factor—the number of airline seats sold compared with the number offered. If by reducing prices you substantially improve this load factor you can actually end up with higher profits. The danger is that you either overcut, or still fail to sell more seats.

In one field at least Horizon and Thomson are doing themselves little good—and that is in relations with the retail trade. Travel agents operate on commissions and thus the lower the price the less their return. At the same time every piece of additional paper work costs money, and price changes can involve a great deal of additional paper work. Already many agents are protesting about the implications of widespread price changes, and when the industry meets at its annual conference in Palma, Majorca, this year argument over the battle of the big three is likely to become heated.

In fact there is a fourth major company potentially involved, which has so far remained silent, and that is British Airways. It is arguably bigger than Horizon in package carryings under its Enterprise and Sovereign labels.

With privatisation looming large, BA cannot afford to see the tour side of its business losing market share. But on the other hand this is hardly the time for it to risk profitability by indulging in price cutting. For the moment time is on BA's side. It is not a particularly strong seller on the winter sunshine market (where the ranking is Thomson, Horizon, Intasun). But later in the year it may have to make testing pricing decisions about the 1984 summer programme.

Meanwhile, many companies may be worrying whether for them there will actually be a 1984. The CAA is expecting the usual tales of woe from those who have had a bad couple of years but expect things to improve. They offer computers, motor cars, desks, anything they can think of as security against failure—even goodwill.

"That hardly helps us," says the CAA's Smith. "Our interest is not in the break-up value of the company should it fail, but in its ability to continue trading." Even success in raising the Bond which companies must lodge as insurance for customers in the event of failure does not always satisfy the CAA, as some companies are finding. "The existence of a Bond does not diminish our duty to try to ensure that there is no failure." Chilling words after a hot summer.

Car

'A' number plates: indigestion at an August feast

By John Griffiths

A new entrant to the fray: Ford's Orion.

AUGUST MIGHT be well known as the silly season; but in the UK motor trade this year "it's downright bloody crazy," according to one flustered London dealer.

Like fellow traders all over the country, he has been struggling to cope with the river of cars flowing fast from manufacturer to customers falling over themselves for the 'A' registration prefix—via his showroom.

The conviction is now growing among manufacturers and traders that this August will see 350,000 cars sold—a record, and by a huge margin. Just over 302,000 were sold in August last year. In 1979, still holding the record for full-year sales—of 1.71m—just 215,000 were sold in August.

But the boom presents some very mixed blessings; certainly for dealers and manufacturers, and even for the buyer gleefully driving off in the Ford Sierra for which he has paid—at least in theory—the same amount as the dealer bought it from the manufacturer.

Why, for example, was the London dealer, far from chortling all the way to the bank, both gloomy and worried?

Reason one: he has been making very little profit on his sales because of massive discounting which, far from abating as hoped earlier this year, has reached unprecedented proportions. Some dealers are advertising certain models—the Sierra is a prominent but by no means isolated example—at, or very slightly over, "dealer cost," relying for a small margin of profit on bonuses manufacturers pay for meeting sales targets;

Two: his workshops, choked with cars, have been having considerable difficulty preparing them for customers;

Three: he has been inundated with an uncomfortably large, but inevitable, number of trade-ins requiring disposal;

Four: he is still suffering the financial indigestion of having to stock up for the August feast during a period of cash-flow famine: the price of the "A" plate boom was almost non-existent sales in July—a mere 49,000.

The dealer is also angry, claiming that manufacturers are "stuffing cars down my throat," stretching his resources to sell more cars than the market can bear because of their own need to fill out production capacity. For despite the August boom, there are still too many cars chasing too few buyers.

But the manufacturers themselves have plenty of problems: by some industry estimates, they will have spent £40m-£50m themselves on incentives to dealers during August

They have done so because they are now locked into a discount-based marketing struggle from which there seems little prospect of escape. As Mrs Jean Denton, managing director of Heron Corporation's Herondrive fleet management and leasing company, point out: "If you're a manufacturer marketing volume, you can't walk away from the discounting because someone else is simply going to move in and mop up your share."

It has left some rich pickings for buyers. According to one fleet manager, "I've had two Ford main dealers ringing me with deals that worked out at 20.5 per cent on Sierras. And don't let Vauxhall kid you that they're not doing anything on the Cavalier," the Sierra's fierce rival.

Discounts of 12-14 per cent, certainly for fleet buyers, have become virtually a starting point for negotiations,

There are, however, some notable exceptions for particular types of car: Ford's high performance XR4 and XR3 Sierra and Escort models are in such demand as to be almost immune to discounting, as are the top-range CD and SR versions of the Cavalier. The same applies to Vanden Plas and MG versions of Austin Rover's Maestro, while discounting on cheaper Maestros is "unofficial" at dealer level.

Even the Japanese are not immune: Datsun has been running incentive campaigns on its Sunny model, while Colt has invoked the wrath of many of its dealers by selling batches of 100 "old stock" cars to selected dealers at a 35 per cent discount to shift stocks. Some of these have turned up outside the franchised network, being sold at considerably less than most of its dealers can buy them for from Colt.

Throughout the discounting war, now entering its third year, there have been warnings from several industry quarters that the reckoning will come for the buyer at replacement time: that resale value will be reduced by at least as much as the discount, so that in the end no-one gains.

Now, however, doubts are growing about the theory — to the potential benefit of buyers.

According to Mr Reginald Montclare, managing editor of Glass's Guide, the trade's used car prices handbook, residual values are holding up "remarkably well." The explanation seems to be that the best used cars, those one or two years old with low mileages, are being sold privately rather than to traders. So over the year as a whole there have been shortages of good used stock, which has also had the effect of pulling up other used car prices. At the same time, thinks Mr Montclare, dealers over-reacted early on in the discount war, marking down used car prices too much. "Now that it's a fact of life, they are not quite so alarmed."

If there is a drawback for the buyer in the August bonanza, therefore, it lies in whether dealers rushed off their feet have been able to prepare their car to the proper standard, and the extent to which problems might arise in workshops as 350,000 cars aproach their scheduled service intervals in a bunch.

For a number of reasons, including these, Mr Tom King, the Transport Secretary, is considering possible alternatives to the August prefix system. These range from a change to another month or the abandonment of the method altogether. Mr Trevor Taylor, Austin Rover's marketing director, has suggested that one way to go could be a switch to the American and Swiss system of allocating licence plates to drivers, not cars.

But the industry remains divided as to whether Britain's prefix system increases sales, or merely creates an artificial peak and trough.

The one certainty is that even though many manufacturers incentive campaigns officially come to an end this month, they will spring up again in other forms.

Several campaigns, including Vauxhall's, should have come to an end in July—but Ford's decision to pull out all the stops again on Sierra saw them extended.

On Monday, Ford put up its prices by an average 4.9 per cent. But it said existing stocks would be sold at the "old" price—and with 100,000 already in stock the principal effect, as intended, will be to keep the August sales momentum.

The other volume motors inevitably will follow the market leader, but no-one expects the discounting to stop.

With at least 20 per cent of the year's sales packed into one month, manufacturers have virtually got to keep offering incentives if there is not to be a disastrous trade flop at the end of the year.

On top of that, Ford is about to launch two major new models: a heavily revised Fiesta, including the first with diesel engine, and the Orion, the booted version of its Escort. When any major new car arrives in the market, competition tends to sharpen—and with such potential best-sellers as these, BL and Vauxhall can hardly afford, nor are likely to sit back.

As Mrs Denton points out: "anyone who does think its all going to come to an end in August is the ultimate optimist."

Weekend Brief

The war between Las Vegas and Atlantic City

America, as of last Sunday, had one more dollar millionairess: Annette Barrios, a 23-year-old honeymooner, dropped $5 into a Las Vegas slot machine and won $1,065,358.

According to Caesar's Palace, the Las Vegas hotel/casino where Mrs Barrios was playing, she was on holiday with her husband and two other couples when she hit the jackpot on her second try at about 2.30 a.m.

The win has provided some much-needed publicity for Las Vegas' legendary gambling strip.

For although the punters are still parting with their cash, business in the Nevada casinos is hardly booming. While the recession has undoubtedly taken its toll, even on the big spenders, it is the East and the fast expanding New Jersey town of Atlantic City which are the prime culprits for Nevada casino operators.

With expensive promotions like a free Beach Boys concert last month at the Caesar's Boardwalk Regency Casino last month and the first casino performance by opera star Luciano Pavarotti at the Resorts International Hotel Casino in October, Atlantic City is stealing the limelight—and the big spenders.

More than $2bn has been spent on hotel-casino construction in Atlantic City—half way between New York and Washington, DC—since gambling began there five years ago.

The results are impressive. In those five years gamblers have left behind more than $4bn and the expectations are that Atlantic City will overtake Las Vegas as the U.S. gambling mecca—at least in terms of gross takings—this year or next.

Some estimates suggest that Atlantic City is cutting the Las Vegas takings by up to 10 per cent a year. Last year the gross win—the cash the casinos keep after paying out winners but before other expenses—in Las Vegas grew by a modest 4.5 per cent to $1.75bn.

State officials and financial analysts have suggested that the industry in Atlantic City will take in about $2bn this year compared to $1.5bn last and could be collecting $3.5bn to $4bn a year in five years time, far outstripping Las Vegas.

Even more galling to the July winnings, $29.3m apparently set a new U.S. record surpassing even the $28m winnings collected at Caesars Palace in Las Vegas in October, 1980

The success of Atlantic City is usually attributed to its vast market. About 58m people live within 300 miles, more than double the Californian market which is Nevada's prime source of business.

But Atlantic City, lacking the hotel space Las Vegas can offer, has also led the way by offering cheap and even free bus transport. Bus services brought almost half the city's 23m visitors last year and most of these gamblers stayed less than ten hours.

Nevertheless, it is too soon to count Las Vegas out.

The record $1,065,358 jackpot at Caesars Palace, Las Vegas

TV-AM's snap crackle and pop

That TV-AM's wonder boy, editor Greg Dyke, should choose the U.S. for his holidays this year should not surprise those who watch the show these days. Dyke slammed the ITV breakfast programme into reverse on arrival in the spring, throwing out the former chairman's philosophy of a mission to explain with his own, rather more American style of "mission to entertain." He has succeeded in pushing his programme ratings to above those of the BBC breakfast show and, as a result, edged his own salary up to a rumoured potential £80,000 a year if the ratings hold.

Delighted that the balding, bearded, diminutive ex-London Weekend bundle of energy has bustled them into respectability audience-wise, old TV-AM hands are now beginning to grumble about their under-used creative grey-matter. These days the breakfast show seems to consider nothing newsy unless it has a famous show-biz name attached. "Perhaps when we get even larger we can start doing things we can get our teeth into," said one AM staffette whistfully.

The Dyke ploys that have pulled in the morning crowds have included a dieting Diana Dors, Star Fantasies (which is a sort of adult *Jim'll Fix It*, although adult may be the wrong word), Star Forecasts and an expansion of the series which sent the TV cameras around Star Homes. There is no secret about Dyke's target audience. Dyke's "My mum" is seen to be a far greater authority to fear in TV-AM these days than new chief executive Timothy Aitken. "Me mum loves Diana Dors," says Dyke impishly aping himself.

The 37-year-old whizz-kid lives in Wandsworth and made his name with the London Programme and Weekend World on London Weekend, getting his taste for the televisual low life with the more poppish *Six O'Clock Show*.

The task of building revenue on Dyke's audience success falls to another industry maverick, Tony Vickers, the former Capital Radio adman who is now sales director of TV-AM. Like Dyke, Vickers is reportedly on salary plus commission and, again like Dyke, he has an apparently up-hill task. TV-AM is stil budgeting for a loss of around £3m this year but now investors are be-

How to be a household name in Asia

David Griffiths is best remembered in Britain by those in the know, as the man who introduced Evel Knievel and Elton John to the sacred turf of Wembley Stadium in the mid 1970s.

He was 35 and the stadium's youngest ever general manager. His success in the job helped him to his present one — building and running Hong Kong's Jubilee Sports Centre which was hailed as one of the best in the world after its opening last year by the Duke of Kent.

But now Griffiths, born in Hereford, is about to embark on a venture which will probably make his a household name throughout southeast Asia. He is aiming to become the first man to run from Peking to Hong Kong, a distance of 2,500 miles. He sets off on October 25, and plans to average 50 miles a day so as to be back in the crown colony a few days before Christmas, a prodigious feat for a man of 42. In Hong Kong itself a fund-raising committee headed by a member of the legislative council, the Hon F. K. Hu is aiming to raise HK$1.5m (£127,000) in sponsorship from the business community. The money will go to sport for the disabled in the colony.

Griffiths's main worry will be completing the run on which he will be accompanied by a physiotherapist and an interpreter driving a mobile home. He hopes that the Chinese Government, which spent many months deciding whether or not to let him run, will encourage local athletes to join him on various stages to help him to keep going.

His recent running background is that of a middle-aged marathon man. He ran his first in 1979, raising $10,000 for charity in the process, as a way of getting fit again after an operation to break and straighten a toe that had been misshapen by rugby injuries with Wasps and Waterloo.

Then he started getting good at it, breaking the 2 hour 30 minutes harrier in London last year and running 2:26 in the prestigious Invitation Only Fukuoka marathon in Japan last December. That made him the current number one in Hong Kong despite his veteran status.

Fitness, he says, has been a vital ingredient in keeping him ahead in his career

Contributors
Paul Taylor
Arthur Sandles

Mining Supplies dives to deeper loss

FOLLOWING A rise in second half taxable losses from £38,000 to £828,000 Mining Supplies ended the year to April 30 1983 with deeper losses of £1.78m against £715,000.

The directors say that the Mining Supplies and Laurence Scott divisions were forced to reduce the number of their UK employees, and the action taken has resulted in a much leaner and competitive organisation matched to current market conditions.

One of the company's principal objectives remains to reduce Laurence Scott's borrowings. In the meantime the company's bankers are continuing to support it through "this difficult period," the directors say, and adequate facilities have recently been made available to Laurence Scott for a further 12 months. In the year under review interest charges rose from £1.74m to £2.02m.

After substantial losses in the first half, the Laurence Scott division produced a trading profit in the second half. This improved performance is continuing into the first quarter of the current year and looks certain to be maintained the directors say.

This improvement stems from an increase in manufacturing efficiency, and an order book which has benefited from an upturn in demand for high quality specialist rotating machines and defence equipment.

The division's overall results were impaired by a dramatic shortfall in demand for low tension control gear which subsequently resulted in a trading loss of just over £1m in that section, plus a trading loss of £600,000 accumulated prior to the final disposal of the PPD sub-group. As a result of the continuing worldwide decline in orders for low tension control gear the company is rationalising its control gear activities in Norwich, and the associated costs have been fully provided for.

The mining supplies division results were depressed owing to the recession in coal mining and subsequently reduced demand for coal mining equipment.

In the U.S., American Longwall traded reasonably successfully in an extremely competitive market, while South African Longwall traded profitably, and both subsidiaries have further developed their manufacturing and technical facilities, to satisfy local market demands, the directors say.

Australian Longwall continued to support the company's installations in New South Wales. However, there is little hope of further expansion in that continent at present.

To the UK Mech Cast and Mech Construction maintained a satisfactory level of activity. Mechforge returned to profitability in the final quarter, while M.S. Electronics and Power is striving to establish product base and develop potential markets.

Turnover slipped from £64.25m to £63.77m and trading profits slumped by £788,000 to £236,000. After a tax credit of £154,000 (£263,000), an extraordinary debit of £2.26m (nil) comprising Laurence Scott closure and rationalisation costs of £1.56m and Doncaster division closure and rationalisation costs of £698,000 — and a transfer of £1.56m (£359,000) from capital reserves the attributable losses emerged at £2.32m (£93,000) and losses per share of 6.8p (1.9).

The year's dividend is being maintained at 0.1p net per 10p share.

The directors are proposing to change the company's name to MS International.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Charles Baynes ......int	0.31	Oct 3	0.25	—	0.85
Benford Concrete ...int	1	Oct 3	0.88	—	3.48
English & Scottish int.	0.75	Oct 3	0.75	—	2
Leisuretime ....int	0.9	—	—	—	0.9§
Mining Supplies	0.1	Oct 5	0.1	0.1	0.1
Pifco Holdings	3.52	Oct 6	3.52	5.28	5.28
Press Tools	1.2	—	1.2	2	2
Waring & Gillow	1.25	—	0.5	2	2
Wholesale Fittings	3.77	Oct 12	3.33	5.1	4.54

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §For seven months.

● **comment**

After such appalling results, Mining Supplies' decision to change its name evoked hollow laughter in the City. However the company's concern for its public image did not prevent the board from shutting up shop immediately after the figures were released to the Stock Exchange. It has long been apparent that the Laurence Scott acquisition was very ill-judged. Ironically, just as that business has started to trade profitably, the Mining Supplies division has now been hit amidships by the recession in the UK coal mining market. And Mr McGregor has not even begun. The bottom line loss of £2.3m would have been almost £1.6m heavier, were it not for a wholly unexplained accounting note going by the name of "transfer from capital reserve arising on consolidation." With borrowings coming ominously close to the size of shareholders' funds, and no likelihood that profits will outweigh interest charges in the near future, some form of capital reconstruction is a possibility. Yesterday the company lost a third of its market value. But at 35p, down 17p—capitalising MS at £8.4m—there is still considerable latent pressure on the share price.

Pifco loses more ground in second half

Following a setback halfway Pifco Holdings, electrical appliances maker, lost more ground in the second six months to finish the year with lower pre-tax profits of £1.42m against £1.84m.

Trading profits for the year ending April 1983 fell from £1.36m to £859,000, and the pre-tax result was after investment income of £565,000, up from the previous year's £487,000.

A same again final dividend of 3.52p maintains the total payout at 5.28p. Earnings per share were 17.04p (22.7p) after tax of £572,000 (£711,000). Net asset value per share at April 30 is given as 196p (184p).

● **comment**

Last year, Pifco produced its first profits downturn for more than a decade. Yesterday's figures showed that the earnings nosedive has got steeper, with trading profits down nearly 37 per cent. The directors maintained their customary silence, which even extends to their own broker. Despite the fact that the Webber family effectively has voting control with 40 per cent of the ordinary equity, the remaining shareholders might be forgiven for wondering whether a few lines of explanation might be in order. It looks as if a hefty chunk of income from investments of cash balances — the last report put liquid assets at nearly £4m — cushioned the decline at the pre-tax level, where profits came out at 22.7 per cent below last year. The figures conceal an improvement in the second half, where earnings were more than double those in the first six months. If past patterns are anything to go by, this was due to a seasonal upturn rather than any underlying improvement. Presumably, the overall profits decline is associated with the pressure on margins Pifco experienced last year. But since the company does not release sales figures until it publishes its report, investors will have to wait until next month to find out. At yesterday's price of 178p unchanged, the shares stand on a fully taxed historic p/e of 12.8p.

Press Tools slips to £158,000

Taxable profits of Press Tools slipped from £161,000 to £158,000 in the year to April 30 1983, after rising from £70,000 to £128,000 at the halfway stage. Turnover for the 12 months advanced to £2.5m against £2.24m.

With earnings per 10p share of this press tools, jigs and automatic turned parts maker given as 4.61p (4.45p) the final dividend is being maintained at 1.2p net making a same again total of 2p.

Vehicle Accessories contributed £62,000 (£46,000), and Young Barber and Co. made £33,000 (£30,500). Walker-Sholto (Grinding Specialists), however, lost £3,500, and the directors are giving serious consideration to the future direction of this subsidiary. Press Tools achieved profits of £500 (losses £3,000).

Meanwhile, diversification continues, the directors say, and certain capital expenditure has been necessitated. While they can see no immediate alleviation of present trading conditions, their longer term prediction is more optimistic.

Tax took £66,000 (£72,000) and last time there was a net surplus on the sale of investments of £6,000.

G.T. Asia Fund

Net assets of GT Asia (Sterling) Fund at offer valuation equivalent to all shareholders' equity as at June 29 1983 were £17,932,880: redemption price of participating red. preference shares payable to managers was £38.67p per share: issue price of participating red. preference shares £40.63p.

Net income for the three months ended June 29 was

Waring & Gillow £0.3m in red

FURNITURE and carpet retailer Waring and Gillow (Holdings) has suffered pre-tax losses of £295,000 for the year ended March 31 1983, compared with profits of £632,000, despite a second-half surplus of £482,000.

Turnover advanced from £88.33m to £90.73m for the 12 months and the dividend is maintained at 2p net per 25p share with a final payment of 1.25p.

At the interim stage—losses amounted to £777,000 (£1m profits)—the directors said the second half would produce profits to exceed the first-half losses and that the full year, overall, would show a small profit.

Mr Manny Cussins, chairman, says that trading in the current year has continued to show improvement and it is anticipated that the company will produce a more satisfactory performance in 1983-84.

There were operating profits of £986,000 (£1.57m) for the year but interest charges took £1.48m (£1.42m) and the pre-tax figure included an exceptional credit of £201,000 (£475,000). Last year's taxable surplus also included associate's share of profits of £1,000.

After a tax credit of £1.52m (£435,000) and an extraordinary credit of £190,000 (£123,000) there was an attributable profit of £1.43m, compared with £1.2m previously. Earnings per share are shown as 7.95p (6.87p).

Mr Cussins, reviewing the past year's trading, says that the traditionally strong areas of the company's market, the North and the Midlands, had been particularly hit by the recession. The stores in the South showed a better pattern and traded profitably.

The chairman adds that the recent acquisition, Maples, "has been good for the company and will be better in the future."

The company has commissioned a marketing review from Saatchi and Saatchi which has resulted in the development of new strategies which will be implemented in the autumn.

On March 24 last the board announced that it had been approached about the company's future, but that it did not know whether this would lead to an offer. The board is not currently engaged in any discussion in this regard, it is stated.

● **comment**

After another dull year at Waring and Gillow and plenty of time to mull over where they have gone wrong, the management has upped its marketing budget from £1m to £2½m and brought in advertising agency Saatchi and Saatchi to do their magic. Already in several stores with a sideways glance at Habitat, they have introduced stylish reasonably priced furniture aimed at the first time buyer, though their traditional lines will continue to be available. Some action is needed after a set of lacklustre results which show operating profit down to £986,000 from £1.57m and a pretax loss of £295,800 rescued only by a large tax credit. There is so far not much to look for from the seven stores in the U.S., which have yet to contribute to profits. Waring and Gillow are moving cautiously there and will want to see these stores well established before they continue expansion. Shareholders receive a maintained total dividend of 2p net for the year giving a modest yield of 3 per cent. The share price has slipped back to 95p, down 7p on poor results and the news that predators have disappeared for the moment. The company is capable of generating profits of £5m one day but with net assets per share at 175p, another suitor could well appear on the scene first.

Wholesale Fittings up £0.45m

CONFIDENCE expressed by the chairman of Wholesale Fittings at the interim stage has been borne out with a £451,000 advance in full year taxable profits to £3.92m. Turnover of this wholesale electrical distributor increased from £28.35m to £30.54m, in the 12 months to April 29 1983.

At the halfway stage pre-tax profits improved by £231,000 to £1.62m, and in the latter six months by £220,000 to £2.31m. The full year result was after slightly lower interest receivable this time of £339,000 against £374,000.

An increased final dividend of 3.77p (3.33p) is being paid and together with the interim 1.33p (1.21p) lifts the total by 0.56p to 5.1p.

Mr D. S. Rose, chairman and joint managing director, says that turnover for the first three months of the current year shows an increase compared with the corresponding period last year.

During the year two new depots were opened at Milton Keynes and Stevenage, and despite difficult trading conditions the company is in the process of setting up two further depots.

Tax for the year took £1.79m (£1.53m) leaving higher net profits of £2.13m (£1.94m). Earnings per 10p share rose from 13.9p to 15.2p.

On a current cost accounting basis profits before tax are shown as £3.1m against £2.59m.

● **comment**

The sales growth recorded earlier in the year by Wholesale Fittings tailed off sharply in the second six months, in which turnover was up a mere 3 per cent on the previous second half. Yet pre-tax profits increased 34 per cent in that period, to end 13 per cent up for the year as a whole. At the same time, the quality of earnings has improved. In 1980, WF's record year, more than a third of earnings came from stock profits. Now that figure is less than 15 per cent. Part of the reason is that special deals from suppliers have become more rare and wholesale prices are fairly stable, thus reducing some of the incentives to carry large stocks. But WF is also unwilling to drive up volumes at the expense of margins in the way that some of its more bloodthirsty competitors have been doing. The group argues that the quality of its back-up services has enabled it to stay aloof from price wars and widen margins to 13 per cent: unusually high for electrical distributors. Despite the cost of setting up two new branches to enlarge geographical coverage of the south, WF's cash resources are growing. It sees no reason to splash out yet on stock building. The shares rose 2p after the figures, but ended down 1½p at 289p.

Rockware slides to £8.5m deficit

FOR the 26 weeks ended June 26 1983 Rockware Group glass, plastics and engineering concern, suffered taxable losses of £8.51m, compared with £484,000 last time. Turnover increased slightly from £60.18m to £61.82m.

For the whole of 1982 the group produced a taxable profit of £605,000 (£899,000).

The directors say that there are no signs of any significant upturn in the group's main markets and that trading conditions have continued to deteriorate.

The expected reduction in industry capacity should enable more realistic pricing levels to be achieved. This prospect, together with the steps taken to reduce costs, provides a sound basis for the company's future long-term trading performance, they state.

Operating losses for the first half amounted to £5.74m (£1.82m profit) and were split as to glass division (including parent company) £5.93m (£1.38m profit); plastics £417,000 profit (£733,000); engineering £225,000 loss (£291,000 loss).

Pre-tax figure was after exceptional debits — mainly redundancies — of £400,000 (£122,000), interest charges £2.32m (£2.29m) and associate's loss of £47,000 (£48,000 profit).

Tax was £7,000 (£17,000), exchange loss last time, was £30,000 and there were extraordinary debits — closure costs — of £579,000 (£552,000). Loss per share is given as 38.55p (2.8).

Since the end of the first half further rationalisation has been announced; the forecast cost of £1.75m will be included in the full-year accounts.

See Lex

Charles Baynes holds steady

Charles Baynes, Blackburn based manufacturer of hacksaw blades, has reported slightly lower interim pre-tax profits of £206,000 against £213,000. Turnover for the six month period to June 30 1983 was down from £1.15m to £1.07m, including exports £302,000 (£176,000).

Commenting on the results Mr Dellar, the chairman, says that they show the continuing strength of the company's traditional business, and he is confident that the diversification plans will help the company enter a new growth phase.

Earnings per 10p share rose from 1.45p to 1.5p, and the interim dividend is increased to 0.3125p against 0.25p.

The chairman says that during 1983 industrial demand for hacksaw blades remained constant and, after a buoyant start to the year, overseas sales have steadied while UK demand shows signs of improving.

He added that costs have been contained giving a reasonable improvement in margins.

Other acquisitions in the rental and cleaning fields, following the acquisition of 75 per cent of Kleeno Hygene for £200,000, are being considered. Terms for the purchase of the private cleaning interests owned by the chairman and Mr Dobson are at an advanced stage.

As a result of using incorrect discount factors it was discovered that the valuation of 1982 and earlier years was overstated by approximately £100,000, which will attract attributable tax relief. However, further detailed work is continuing to establish the exact amount and will be dealt with in the 1983 audited accounts.

Tax took £100,500 (£111,000) and there was an extraordinary debit this time of £53,000 (nil).

The company's year-end date has been changed to September 30, the current accounting period, therefore being nine months.

Nesco Investments

Shareholders of Nesco Investments have approved the two-for-five ...

AE takeover will boost GKN assets to £808m

Net tangible assets of Guest Keen and Nettlefolds would rise to £808m following the acquisition of motor components group AE, compared with £651m in the last balance sheet.

A pro-forma statement of combined net tangible assets contained in the offer document shows the group would have fixed assets of £701m, term loans of £316m and net short term borrowings of £24m.

GKN's revised offer of three of its shares for every eight AE shares, valuing AE at about £66m, was agreed two weeks ago by the AE board.

In a letter to AE shareholders, Mr John Collyear, chairman of AE, said that the proposed takeover derives from discussions that AE initiated over two years ago.

"Over the last few years, AE has been spending significant sums on upgrading the technology of its engine parts manufacturing business to a level which we believe is equal to the best in the world. In June, 1981, we approached GKN, the only other major UK manufacturer of engine parts, to discuss the possibility of a national approach to these areas of our businesses.

"In this way, we felt that international competition would be met more readily in both home and overseas markets and studies were undertaken by both companies to examine this possibility."

Mr Collyear said the discussion subsequently broadened to encompass the possibility of a GKN bid for AE, but no agreement could be reached. GKN launched a bid anyway on July 27, which, after the terms were improved, was accepted.

The first closing date for the offer is September 9, and it is conditional on, among other things, the Office of Fair Trading indicating that the proposed acquisition will not be referred to the Monopolies Commission.

An extraordinary general meeting of GKN is to be held on September 12 at which approval of an increase in authorised share capital necessary to complete the bid will be sought.

GKN says in the document that to obtain the full benefit of the merger "there will be some reduction in employment" but no details are provided. GKN will also "carefully review those businesses of AE which are unrelated to the manufacture of engine parts and the distribution of automotive parts against the background of their relevance to GKN's overall strategy."

BOWATER CANADA

Bowater Canadian says it plans to sell its subsidiary Perkins Papers to a new company formed by a group of Perkins senior executives and outside investors.

Bowater Canadian is the holding company for the Canadian properties of Bowater Corporation.

Perkins Papers makes private label and branded tissue products and has about 300 employees.

Bowater Canadian says, the agreement calls for the sale of all Perkins shares for cash. Completion of the sale, which is expected to take place by September 30, is subject to consent by UK regulatory authorities and by certain lenders.

Mt Charlotte pays £21.5m for two Grand Met hotels

BY DAVID DODWELL

Mount Charlotte Investments, the Leeds-based hotels and property group, plans to buy two London hotels from Grand Metropolitan for a total of £21.5m.

The deal caps one agreed in February, in which it bought three hotels from Trusthouse Forte for £19m, and will lead to a four-fold increase in the value of the company in the course of a year.

Completion of the deal with Grand Met is expected on September 5, at which point Mount Charlotte will pay £2.2m in cash, and issue 46.3m shares, credited as fully paid. These have been conditionally placed in the Stock Market on behalf of Grand Met at 41½p per share.

The two hotels to be bought are the Mount Royal, in Oxford Street, in the shopping heart of London, and the Kennedy, near the important Euston railway station. Both are three-star hotels, and together have 1,020 bedrooms.

Mount Charlotte has 32 hotels outside London, many of them catering for tourist business. It has for some time been seeking well-sited London hotels which would enable it to provide guests, staying in their hotels in the provinces, with onward bookings in London in hotels owned by the group.

First of all, it purchased the Ryan Hotel, near Kings Cross railway station, in 1982. Then in February this year, it added three hotels bought from Trusthouse Forte. The latest purchase will increase the size of the group to 38 hotels, with six of them in London.

Grand Met has for some time made it clear that it is keen to rationalise its worldwide hotel interests. This followed the purchase for about £500m in 1981 of the Intercontinental Hotels Corporation from PanAm.

Hotels not fitting into either the Intercontinental chain, or the Forum chain, owned by Intercontinental and aimed at the business and budget-conscious traveller, have been progressively disposed of.

The Europa Hotel in London's Mayfair was sold in July to Marriott Hotels of the U.S. for £14m, and the Drury Lane was sold in February to Queen's Moat for £2.24m. It is understood that a further two hotels—the Piccadilly and the Chesterfield—remain to be sold.

Mr Robert Peel, Mount Charlotte's managing director, said yesterday: "When we realised we could be confident about year-end profits, and recognised that Oxford Street Hotels don't come up for sale every week, then a purchase made sense provided the terms were right."

He predicted that pre-tax profits for the year ending January 1 1984 will be about £3.8m, compared with just £1.2m last year.

The February purchase was funded by an 11-for-10 rights issue which raised £13.6m. By issuing 46m shares for this latest deal, Mount Charlotte will be increasing its share capital base by almost 50 per cent. It now has a market capitalisation of more than £60m.

Mount Charlotte's shares improved by 2½p on the news, to close at 45½p.

If Grand Met's Piccadilly and Chesterfield are taken into account, then the group now has six London hotels. Its Intercontinental subsidiary has about 108 hotels — 22 of them Forums — in 50 countries worldwide. Proceeds from today's sale are likely to be used in hotel expansion elsewhere. About eight new Intercontinental Hotels, and three Forums are expected to be opened by the end of 1984.

Fraser to fight proxy move

House of Fraser has announced it will contest legal action started by Lord Duncan-Sandys and Mr Rowland as directors of Fraser to secure an opportunity for them or their agents to inspect the proxy cards and voting papers for the last two Fraser extraordinary meetings held on May 6 and June 30 1983 at which resolutions relating to the demerger of Harrods were considered.

Lord Duncan-Sandys and Mr Rowland claim the right to inspect these documents "in the exercise of their duties as directors of House of Fraser." The Fraser board does not accept that the information contained in proxy cards and voting papers is necessary for Mr Rowland and Lord Duncan-Sandys, who are also directors of Lonrho, to fulfil their duties as directors of Fraser.

Fraser points out that at both the extraordinary meetings the processing of proxies and voting cards was in the hands of Frasers independent registrars, Clydesdale Bank and independent accountants, Touche Ross, were appointed as scrutineers. The Fraser board says it was their function to ensure that all valid proxies and voting cards were taken into account and that any invalid proxies or voting cards were disallowed and to report to the chairman.

No objection was raised to the results which were duly certified by Touche Ross and these results are now final.

Star Computer to buy Paxton

Star Computer Group has entered into a conditional agreement to acquire 51 per cent of Paxton Computers for a consideration of £280,000.

Star has also agreed to subscribe, within the next three months, for further shares in Paxton at a subscription price of £250,000 to bring its interest in Paxton up to 75 per cent.

Additionally, Star has agreed with its stockbrokers, Simon and Coates to place 940,000 new ordinary shares at 270p each to raise £2.54m. Simon and Coates has also agreed to sell 135,000 Star ordinary shares at the placing price for Mr J. W. Schumann, joint managing director of Star.

The placed shares will not be entitled to receive a dividend for the year to April 30 1983, and represent 14.37 per cent of the enlarged issued share capital of Star.

The placing proceeds will be used to pay the consideration for Paxton and to repay a bank overdraft. The balance will be used for diversifying into marketing activities and further working capital for the enlarged Star group.

Paxton's net assets are approximately £15,800 and its profits before tax for the year to May 31 1983 were approximately £30,500.

LYTE INDUSTRIES

The joint receivers and managers appointed to Lyte Industries have completed the sale of the assets and business of the company to Southern Imex.

Lyte manufactures high quality aluminium industrial and domestic ladders at Newport, Gwent and Taunton, Somerset. The receivers are Mr Simon Pomeroy and Mr Alastair Jones of accountants Peat Marwick Mitchell and Co.

ERSKINE

U.T.A. Freight (UK) has acquired a further 141,704 ordinary shares in Erskine House as a result of the recent rights issue, and holds 17.66 per cent of the enlarged equity. U.T.A. is a private company controlled by Mr B. McGillivray and his family.

Mr J. M. Chapman has acquired a further 7,600 shares in Erskine, which bring his holding up to 39,600.

AUTOMATED SECURITY

Automated Security (Holdings) has acquired 50 per cent of D. P. Advisers (Holdings), which operates a computer bureau and designs and markets software products. Audited accounts for 1982 show profits before tax of £59,000 and net assets of £175,000.

The consideration is between £250,000 and £450,000, depending on future profits of DP, which will be satisfied by the issue of ordinary shares.

HOGG ROBINSON

Insurance broker Hogg Robinson Group has acquired a majority shareholding in F. S. Betts and Company and merged the company with its specialist transport division, H. L. Thomson, to form a new subsidiary, Hogg Robinson Thomson Betts. This will specialise in transport industry insurance.

Additionally it has been announced that the Kuwait Investment office has a 12.75 per cent interest in Hogg Robinson Group.

Results due next week

Pre-tax profit of £139m hardly constitutes a round number, but that appears to be the most popular estimate of what Standard Chartered Bank will announce in the way of interim figures to June on Tuesday. The improvement over the comparable period's depressed pre-tax outturn of £101m has already been given some substance by the reported profits increase from Standard Bank South Africa and Union Bank of California. Analysts are much less united on likely provisions against bad debts. The more pessimistic observers expect to see that figure rise above £100m for the year as a whole. For full year profits another unmemorable figure—£295m—is most widely expected. As forecast at the time of the rights issue, the dividend should be maintained on the increased capital. Despite the strong share price performance over the past couple of weeks, the yield is still more generous than that of any of the big four.

The rocky trading conditions and unfavourable currency movements in South America which gave Blue Circle such a setback in the second half of last year have since settled somewhat. But these effects should still be enough to contribute substantially to a decline in pre-tax profits to around £45m against the previous year's £48.1m when the group announces its results for the six months to June 30 on Thursday. In the UK, volumes should be up, with maybe even a slight increase in market share in the areas where construction activity is at its most lively. Blue Circle has made extensive cost savings over the past 18 months and had a spate of new plant openings. But margins are under pressure from the fact that it has kept prices steady since January 1982. The consensus is for a more modest dividend increase than usual, perhaps 5 per cent to 6.3p net.

The recovery which Taylor Woodrow said was emerging in its U.S. and Canadian housing markets six months ago has gathered momentum, while there is also a new sense of buoyancy in housing this side of the Atlantic. The group's earnings are likely to show more of an advance on the private rather than the civil construction side when it produces its results for the six months to June 30 on Tuesday. Many of Taylor Woodrow's biggest contracts are energy related and activity in that sector is tied very much to the price of oil. However, past increases in housebuilding activity have often presaged busier times for the rest of the group. Analysts are expecting an increase in pre-tax profits to around £10.5m against the previous interim's £9.6m, with the dividend up 0.5p to 6p net.

Two of Britain's independent exploration and production oil companies, LASMO and Britoil, report interim figures next week, their first results since the budget heralded a more favourable tax regime. Lasmo has had two fund raising exercises this year in March and July, though only the £44m rights issue in March will feature in the half year figures to June published on Tuesday. The issue helped reduce a very high level of borrowings although capital investment since then, particularly in Beatrice North Sea and in Indonesia, has pushed debt up again. Benefits of this spending will come through slowly in the profit and loss account and Lasmo will need to run hard to stay in the same place for some time.

Next week the market expects LASMO to reveal around £20m net income after tax compared with £23.7m last year. There is some uncertainty as to the precise figure because of the potential exploration costs which the company might choose to write off. The net dividend will probably be maintained at 4½p. Lasmo's share price closed yesterday at 386p where it stands at a slight premium to net assets and is considered to be fully valued by the market.

Britoil, in contrast, has some running still to go standing at a substantial discount of about 31.5 per cent to net assets and with an excellent spread of production sites. This is its first full year as Britoil and so has no quite comparable period but a net income of £61m is expected when half year figures to June 30 are published on Thursday. That compares with £57m net income for seven months last year when it was still a part of BNOC, prior to flotation. A 10 per cent increase has been forecast on a total net dividend of 9p last year, so the interim could see a payment of 4p.

Other interim results due next week include those of Pearl Assurance, London Brick and Slough Estates on Wednesday. On Thursday Carpets International will be announcing its half year figures, to be followed on Friday by those of Thomson Organisation.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Anes Properties	Tuesday	0.7	1.3	—
Bratman (L. C.) International	Monday	—	—	—
Dale Electric International	Thursday	0.7	2.3	1.2
Dura Mill	Tuesday	—	0.6	—
Hampton Trust	Thursday	—	—	—
Highgate and Job	Friday	—	—	—
Peerless	Monday	3.0	6.0	3.0
Raybeck	Friday	1.131	1.131	—
Resource Technology	Monday	—	—	—
Smith Whitworth	Tuesday	—	—	—
Stoddard Holdings	Tuesday	—	—	—
Zambia Copper Investments	Thursday	—	—	—
INTERIM DIVIDENDS				
American Trust	Tuesday	1.0	1.35	
BBA Group	Thursday	0.54	0.9	
Benson's Crisps	Thursday	—	—	
Blagden Industries	Wednesday	3.0	3.0	
Blue Circle Industries	Thursday	6.0	12.25	
Britoil	Thursday	—	§3.75	
BSR	Thursday	—	—	
Cussons International	Thursday	—	—	
Charterhouse Petroleum	Wednesday	0.25	0.5	
Coleman Milne	Monday	0.5	1.0	
Croydex	Tuesday	—	2.5	
De Beers Consolidated Mines	Tuesday	†12.5	25.0	
Ericsson (Telefonaktiebolaget LM)	Friday	††—	7.50	
[illegible] Building and Construction Grp	Friday	2.5	4.5	
Fife Indmar	Tuesday	1.3	5.0	
Hawley Group	Wednesday	1.2	1.58	
Highlands and Lowlands BHD	Thursday	†5.0	10.0	
Home Counties Newspapers	Wednesday	1.75	3.25	
Hongkong and Shanghai Banking Corp	Tuesday	‡0.16364	0.32636	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Lec Refrigeration	Thursday	2.75	5.25	
Liberty Life Association of Africa	Tuesday	†25	100	
London Brick	Wednesday	0.5755	1.7786	
London and Scottish Marine Oil	Tuesday	4.5	8.5	
Martin-Black	Friday	—	—	
Miss World Group	Friday	—	—	
Moran Tea Holdings	Thursday	—	—	
Needlers	Thursday	—	4.0	
New Darien Oil Trust	Thursday	—	0.26	
Novo Industri AS	Wednesday	††—	17.0	
Parambe	Tuesday	0.3	0.5	
Pearl Assurance	Wednesday	8.5	15.0	
Phoenix Properties and Finance	Tuesday	—	—	
Queens Moat Houses	Wednesday	0.605	0.605	
Refuge Assurance	Thursday	5.0	11.75	
Rentokil	Tuesday	0.8	1.025	
Rotork	Wednesday	1.35	2.15	
Scottish Agricultural Industries	Thursday	5.75	10.75	
Scottish Investment Trust	Thursday	††3.0	1.7	
Sharpe, W. N. (Holdings)	Monday	4.0	5.0	
Slough Estates	Wednesday	—	—	
Standard Chartered Bank	Tuesday	8.2	17.8	
Suora	Monday	0.75	1.15	
Taylor Woodrow	Tuesday	5.5	14.0	
Thomson Organisation	Friday	—	—	
Tilley International	Wednesday	—	—	
Wagon Finance Corporation	Friday	0.625	1.6875	
Ward Holdings	Friday	1.19	3.01	
Woodhouse and Rixson (Holdings)	Monday	0.75	[illegible]	
Electro-Protective	Tuesday	—		

* Dividends are [illegible]

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

After years of uncertainty, Lloyds Bank and Citibank of the U.S. have finally sorted out the complicated shareholdings at Grindlays Bank, the UK-based international bank. Citibank has agreed to swap its 49 per cent stake in Grindlays Bank in exchange for shares in the bank's parent company, Grindlays Holdings. Citibank will end up with 48.61 per cent of the enlarged share capital of Grindlays Holdings, while Lloyds Bank will eventually own 21.3 per cent. The Takeover Panel would normally require Citibank to make a general offer to Grindlays Holdings shareholders, but this requirement is expected to be waived.

Mr Robert Holmes à Court shocked the Australian business community when he announced an audacious A$4.13bn (£2.43bn) bid for Broken Hill Proprietary, the country's biggest company. Mr Holmes à Court is bidding through Wigmores, control of which he gained only last week and currently capitalised at only A$39m. The bid is an all-share affair on the basis of two Wigmore shares, currently valued at A$6, for each BHP share. As such, the offer is expected to have little appeal for BHP shareholders, but Mr à Court denied that the offer was frivolous and pointed out that *most of the bids made by his companies* were for companies larger than themselves.

Dealings in knitted garments concern Harold Ingram were suspended on Monday at 300p having risen 165 during the day. The dramatic rise followed last Friday's 65p per share bid from a Liechtenstein company called Wasskon Establishment, controlled by two Turkish businessmen. Ingram's chairman and his wife have already agreed to sell their 52.6 per cent stake to the Liechtenstein company. Dealings in Ingram's shares were suspended pending publication of the Wasskon offer document. The Stock Exchange has begun an investigation of the Ingram share price movement which rose from 80p on Friday morning to the present level. Also on the Friday, it was announced that Mr *Ingram* had bought 25,000 Ingram shares at 164.25p per share and his wife had acquired the same amount at the same price. Mr G. Ward, an Ingram director, sold 20,000 shares at 173p per share, reducing his holding to 11,600 shares.

The Monopolies Commission gave the green light for a new bid for Ibstock Johnsen by London Brick, the largest UK brick manufacturer, but neither company was in a hurry to restart the talks which led to an initial bid agreement last December.

Evered, the Midlands based engineering concern, is to make a full bid for Hawkins and Tipson, the loss-making ropes, wire products and furniture group, which values the latter at around £3m. Mr Rashid Abdullah, Evered's chairman, has built up a 29.9 per cent stake in Hawkins and is now making a 35p per share offer for the outstanding Hawkins' shares.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
AE	68	65½	36	66.79	GKN
Benn Bros¶	286	208	185	17.84	Extel
Branon	60*	63	58	1.84	Taddale
Brit. Ind. & Genl. Trust	257††	250	242	12.42	London Inv. Tst.
Drake and Scull	123§§	118	85	22.52	Simon Enginrg.
Globe & Phoenix	70*	70	60	0.62	African Lakes
Hawkins & Tipson	35*§	40	38	2.13	Evered
Huntleigh	224	222	203	32.18	Flight Refuelling
Ingram (H.)	65§*	300††	80	1.02	Wasskon
Ins Cpn of Ireland	314‡	255	224	156.56	Allied Irish
KCA Drilling	37*§	42	38	29.8	Rosshold
Pennine Res.	30½*	34	25	3.95	Ivorbeam
Rediffusion	426	420	353	132.44	BET
UBM Group	107‡‡	120	99	62.74	Norcros
Waddington (J.)	278	242	204	17.34	BPCC
Whittingh'm (W.)	130*	126	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. || Loan stock alternative. ** Based on August 19 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Adams & Gibson	May	281	(126)	1.5	(1.25)
Albright & Wilson	June	14,830	(6,680)	—	(—)
Ault & Wiborg	June	197L	(731)	0.5	(0.75)
Ayrshire Metal	June	68L	(24)	—	(—)
Black, A. C.	June	233	(183)	3.0	(1.5)
Brit. Dredging	June	322	(105)L	—	(—)
Bryant, Derek	June	441	(341)	2.0	(—)
Clarke, T	June	393	(287)	0.7	(0.661)
Comben	June	2,010	(1,540)	1.2	(1.2)
Corah	June	1,016	(1,420)	1.5	(1.5)
Gaskell Broadlm.	June	629	(51)L	1.0	(1.2)
Glenfield Lwrnce.	June	62	(229)L	—	(—)
Gould, Laurence	June	186	(148)	1.3	(—)
Hill & Smith	March	252	(451)	1.0	(0.91)
Horizon Travel	May	705	(2,090)	0.88	(0.8)
Johnson Grp. Cln.	June	2,950	(2,610)	3.0	(2.8)
Metal Bulletin	June	326	(381)	2.2	(2.2)
Olives Paper Mills	June	101	(56)L	0.35	(—)
Philcom	June	1,020	(521)	0.3	(0.25)
Prestige	June	30,230	(27,270)	3.0	(2.5)
Reed Stonehouse	June¶	10,630	(11,010)	—	(—)
Royal Insurance	June	50,100	(32,000)	10.5	(10.0)
Squirrel Horn	July	66	(169)	0.5	(0.75)
TDG	June	9,350	(8,330)	1.5	(1.45)
Unilever	June	228,000	(215,000)	—	(—)

(Figures in parentheses are for corresponding period.)
* Dividends are shown net except where indicated. †† In I£. ‡ 2nd quarter. ¶ For nine months. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Abbey	April	2,830††	(3,680)	11.0‡	(11.3)	3.94	(3.94)
Cowan de Groot	April	244	(135)	—	(—)	2.0	(2.0)
Gelfer, (& J	March	1,050	(908)	9.1	(8.0)	4.5	(4.1)
Heelamet	April	401	(382)	5.0	(6.8)	5.6	(5.6)
Howard Shutterg.	April	583	(360)	5.5	(4.3)	1.55	(1.4)
ML Holdings	March	926	(1,220)	24.1	(31.6)	7.0	(7.0)
Newmark, Louis	April	891	(1,230)	20.0	(27.0)	7.5	(7.5)
Owen & Robinson	May	4L	(73)L	—	(—)	10.0	(10.0)
Reliance Knitwr.	April	524	(267)	6.0	(2.6)	1.75	(1.54)
Restmor	April	1,490	(1,310)	—	(—)	6.5	(5.5)
SEET	April	812	(951)	—	(—)	3.5	(3.3)
Vibroplant	March	551	(354)	—	(—)	7.26	(14.53)
Victor Products	April	1,810	(1,340)	15.5	(14.3)	4.6	(4.25)

Offers for sale, placings and introductions

Oceonics—Raising £8m by way of a placing of 1.75m new ordinary shares at 285p and 3m 10.75 per cent cumulative redeemable preference shares.

Tace—Seeking full listing for all the shares of Goring Kerr. 1.8m shares offered for sale by tender at minimum price of 200p.

Rights Issue

Helene of London—Raising £1.1m through a one-for-three rights issue at 17p per share.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$400	56	18	—	—	—	—	$417.75
GOLD C	$425	152	0.10	20	17	28	34	"
GOLD C	$450	—	—	12	12	33	20	"
GOLD C	$475	—	—	2	7	—	—	"
GOLD C	$500	—	—	5	4	—	—	"
GOLD C	$500	—	—	4	1	—	—	"
GOLD P	$400	—	—	10	7	2	11 B	"
GOLD P	$420	150	7	1	15	26	21 B	"
GOLD P	$430	24	32	34	30	2	34 B	"
GOLD P	$475	1	58	—	—	—	—	"
		Sept.		Dec.		March		
SILV C	$12	21	0.55 A	3	1.30	—	—	$12.18
SILV C	$13	—	—	—	—	0	1.30	"
SILV C	$14	—	—	8	0.50	—	—	"
SILV P	$11	—	—	—	—	1	0.76	"
SILV P	$12	1	0.55 A	1	1.15	—	—	"
		Oct.		Jan.		Apr.		
AKZO C	F.55	—	—	2	23.30 B	—	—	F.77.40
AKZO C	F.60	10	17.90	12	12.80	—	—	"
AKZO C	F.65	66	12.70	3	15	—	—	"
AKZO C	F.70	35	9.30	44	12.70	10	14.80	"
AKZO C	F.80	222	3.60	66	7	57	10	"
AKZO P	F.65	30	0.90 B	8	1.10	—	—	"
AKZO P	F.70	13	1.20 B	48	0.50	5	8.70	"
AKZO P	F.80	29	5.60 B	20	7.20	—	—	"
KLM C	F.150	21	11.50	6	12	—	—	F.154.50
KLM C	F.160	48	7.10	8	14	—	—	"
KLM C	F.170	168	4	12	10.80	—	—	"
KLM C	F.180	35	2.30	4	7.30	—	—	"
KLM P	F.140	8	1.50	—	—	—	—	"
KLM P	F.150	75	4.50	2	2.60	—	—	"
KLM P	F.160	45	10.40 B	10	13 B	—	—	"
KLM P	F.170	—	—	1	20 A	—	—	"
PHIL C	F.32.50	11	10.80	—	—	—	—	F.45.60
PHIL C	F.35	8	12	—	—	—	—	"
PHIL C	F.40	182	7.20 B	9	9.10 B	—	—	"
PHIL C	F.45	387	4	206	6.20	—	—	"
PHIL C	F.50	1495	2	437	5.80	95	0	"
PHIL C	F.55	1525	1.10	687	2.60	78	6.60	"
PHIL P	F.40	116	0.60	43	1.40 A	—	—	"
PHIL P	F.45	215	2.10	735	3	71	3.60	"
PHIL P	F.50	1299	5.20	163	5	2	6.10 B	"
PHIL P	F.55	1101	2.20	2	9.30	—	—	"
RD C	F.120	118	26.50	2	27	—	—	F.145.80
RD C	F.130	115	16.60	26	18.80	—	—	"
RD C	F.140	146	6.80	03	13.10	34	15.20	"
RD C	F.150	244	3.90	85	7.50	16	10	"
RD P	F.120	—	—	2	0.80	—	—	"
RD P	F.130	16	0.90	80	2.50	—	—	"
RD P	F.140	19	3.10	18	5.70	—	—	"
RD P	F.150	22	9.30	52	10	—	—	"
UNIL C	F.200	01	17	—	—	—	—	F.214.50
UNIL C	F.220	64	0.40	38	11.80 A	—	—	"
UNIL C	F.240	3	2.10	6	0	—	—	"
UNIL P	F.190	5	0.60	5	2	—	—	"
UNIL P	F.200	7	1.90	2	5	—	—	"
		Aug.		Nov.		Feb.		
12¾ NL 81 87-21								
C	F.120	289	4.30	—	—	—	—	F.124.60
C	F.122.50	40	1.70	—	—	—	—	"
C	F.125	1110	0.10	150	2.70	—	—	"
C	F.127.50	—	—	10	1.50	100	8.80	"
C	F.130	—	—	9	0.80	—	—	"
P	F.122.50	—	—	253	2	—	—	"
P	F.125	50	0.70	104	3	—	—	"
P	F.127.50	3	2.70	—	—	—	—	"
P	F.130	33	3	100	8.50	—	—	"
P	F.135	250	10.10	—	—	—	—	"
11½ NL 89 88-92								
C	F.110	100	0.60	—	—	—	—	F.110.90
P	F.117.30	4	7	—	—	—	—	"
10 NL 22-11 86-82								
C	F.102.50	13	2.30	—	—	—	—	F.105.10
C	F.105	200	0.10	—	—	—	—	"
9½ NL 83 27-20								
C	F.100	2	3.30	28	0.00	—	—	F.103.20
C	F.102.50	535	0.60	1	1.50	—	—	"
C	F.103	—	—	430	0.80	2	1.30	"
P	F.100	—	—	3	0.90	—	—	"

TOTAL VOLUME IN CONTRACTS: 20,051
A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel	§ 9½%
Amro Bank	9½%	C. Hoare & Co.	† 9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland	Ω 9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered	‖ 9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings	§10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank	* 9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—2.25%. Effective annual rate—9.65%.

CONSTRUCTION CONTRACTS

French Kier wins £27.7m orders

FRENCH KIER CONSTRUCTION has been awarded contracts worth £21.7m including alterations and refurbishment at Heathrow Airport for British Airways, amounting to £6.9m, a £3m project to replace The Glasshouse at Kew Gardens for the PSA, £5m blacktop subcontract for the M25 Poyle to M4 and the Low Eggborough bypass for North Yorkshire County Council valued £1.7m. Included in the total is a radar tower for *the Civil Aviation Authority for* £1.4m. Other clients for whom contracts have been awarded are British Rail Eastern Region, Anglian Water, Peabody Trust, London Transport Executive, Mobil Oil Company Ltd, and BP International.

★

A £5.7m contract for the next phase of the two underground spine tunnels in the Selby coalfield has been awarded by the National Coal Board to AMCO of Barnsley (Amalgamated Construction Company).

This phase will take the south tunnel from its present length of almost 6.5 km to its completion length of 15 km. Amco will assume responsibility for operating the Robbins full-face tunnelling machine in the south tunnel early in September. In mid-August, Amco is to instal a Dosco Mark III roadheading machine in the north tunnel, replacing the Titan Tunneller which has been operated by Thyssen (GB) under the previous contract. This drivage will have passed the 6.5 km mark when Amco takes over. The contract is due to expire when the south tunnel drivage is completed in 1985.

★

A £5m bridges and earthworks contract in Scotland has been won by TARMAC CONSTRUCTION. The order, for the Musselburgh by-pass, has been awarded by Lothian Regional Council. Scheduled to take 21 months, work involves construction of four reinforced concrete bridges, a pipe culvert and associated earthworks. Two of the bridges will span railway lines, one will cross a public road and the other will be a pedestrian/farm underpass.

★

MARSHALL CONSTRUCTION GROUP, Elland, has acquired contracts worth £5.75m. Work includes a supermarket, homebase and petrol station at Hull for J. Sainsbury, a supermarket and shop development at Middleton, Leeds, and, at Stafford, a furniture centre for MFI Furniture Centres, Wembley.

★

£12m work for London & Northern

LONDON AND NORTHERN GROUP companies have won contracts totalling £12m. Tractor Shovels (Contracts) has an £8.8m contract from Fife Regional Council for construction of the Halbeath to Cowdenbeath section of the M90. This is the first of several phases to link up with the Thornton bypass in Fife and is a two-year contract. Border Engineering Contractors has contracts worth *£3.2m. Largest is extensions* to the Shaddongate Creamery for Dairy Crest in a £748,000 contract and additional works for Metal Box Company in a £55,000 contract.

★

Bristol City Council has chosen F. RENDELL & SONS, a Lovell Construction Company, to proceed with final detailed proposals for a 270-home housing scheme in the city Docks area. Ten companies bid for the £7m scheme, of which four were asked to submit further details. The project forms an important element in the council's plans to revitalise the area. The Rendell scheme envisages a mixture of flats and houses, a sheltered housing project and an even mix of homes for sale under partnership arrangements and on the open market. Rendell has been asked to complete the detailed designs, obtain planning permission and other approvals and conclude a development agreement so that a start can be made on the 7.9 acre site off Cumberland Road next spring with construction spread over 2½ years.

★

The Midlands region of R. M. DOUGLAS CONSTRUCTION has won contracts valued at £5m. The batch includes £2m of industrial and railway work together with a £3m contract for The Property Services Agency at RAF Cosford. At RAF Cosford, Douglas is refurbishing and modernising 317 married quarters for both officers and servicemen. Work has started and will be carried out in a phased programme over 26 months.

★

MILLER CONSTRUCTION has been awarded contracts to the value of £5.5m. Work includes conversion of office building, Lothian House, into 88 flats for Credential Property at £1.2m; and 48 traditional flats in seven blocks for the University Court, Edinburgh, worth £1.3m.

★

POCHIN'S has been awarded contracts worth over £5m. They include a *£2m psychiatric unit* for the North West Regional Health Authority, a £700,000 factory for the Property Services Agency in Chorley, and a £330,000 school in Stockport, Cheshire.

★

Two road contracts in the West Midlends worth nearly £4m, have been awarded to TARMAC CONSTRUCTION. The largest, costing £2.5m, is for a by-pass at Bridgnorth, for Shropshire County Council. Work is scheduled for completion by the end of 1985. The other project, worth £1.3m, is for a 12-month contract to complete a ring-road at Redditch, for the Development Corporation.

Contracts, together valued at more than £3m, have been awarded to Tarmac Construction for improvements to local authority homes at Wolverhampton, Blackpool, Melbourne, Derbyshire, and Cannock, Staffordshire.

★

R. M. DOUGLAS CONSTRUCTION has commenced the main building contract worth £4m for a pharmaceutical production facility for A. H. Robins Co. The facility is some 5,650 sq metres in area with a mezzanine plant area over the production and packaging halls, and an office/laboratory of 1,500 sq metres attached to the main building by a link block. The contract is scheduled for completion in 53 weeks.

★

The IDC GROUP has won a contract worth around £3.8m for construction of a fully air-conditioned cheese production and storage facility for Lymeswold cheese at Dairy Crest Aston Creamery, Nantwich, Cheshire. Awarded by Dairy Crest, the commercial arm of the Milk Marketing Board, the contract is due to be completed in March 1984. The production facility to be constructed will be split-level, one level being 2,100 sq metres area for cheese processing, the other 3,082 sq metres for cheese ripening and packaging. Cheese production is scheduled to begin in February 1984, and the IDC Group will also be managing some of the installation of the plant in this new facility which it is estimated will have a total cost of over £5m.

★

A £2.2m contract for the final section of the Greenwich Peninsular link road in South East London has been awarded to Trafalgar House Group company CEMENTATION CONSTRUCTION by the London Borough of Greenwich. The road will connect the industrial areas of Charlton with the Blackwall Tunnel southern approach road and the A2 trunk road providing better access for existing riverside industry and opening up new riverside areas for development. It will also provide relief to the congested A206 which currently carries much of the industrial traffic. Because the link road is on the land close to the River Thames and is being built below the water table, it has to be constructed in a fully waterproofed reinforced concrete trough within a sheet piled cofferdam and cast in-situ concrete piles. Completion of the project is scheduled for August 1984.

★

HENRY BOOT CIVIL ENGINEERING has started work on a £3.7m contract as part of a £29m modernisation programme at the Cauldon Cement Works, Waterhouses near Stoke-on-Trent. The 65 week contract is for erection of three 5,000 tonne cement silos with access tower and high level connecting walkways. A 25,000 tonne clinker silo is also to be constructed whilst other work involves alterations to an existing silo, foundations and ancillary works.

★

Flats and houses valued at £3.6m are to be built for Merseyside Improved Houses by WIMPEY CONSTRUCTION UK in Crosfield Road/Durning Road, Wavertree, *Liverpool*. The scheme comprises 168 units plus two wardens units. Work starts on September 5 and will be completed in mid-1985.

★

MILLER BUCKLEY CIVIL ENGINEERING has been awarded contracts worth £3m by Thames Water Authority and Greater Manchester County Council. Largest is at Islington, Miller Buckley are constructing the first £1.4m tunnelling contract of a three-phase tank sewer project for Thames Water Authority. The scheme will relieve the annual threat of flooded basements in the area by storing storm water until the existing sewer system can cope with the overflow. Work has begun and is expected to take 60 weeks, with a commission date for Phase 1 of May 1985.

★

Wallis Group gains £11.5m

WALLIS GROUP has won contracts totalling £11.5m. These include a major refurbishment of Sudbury House, for the CEGB (£3.75m—following a successful pilot scheme in 1982); repairs to the Queen Anne building, Royal Naval College, Greenwich (£1.2m); an office/retail development in the Strand for European Investments & Dev (Design) (£1m); a store extension at Mitcham for J. Sainsbury (£0.5m) and various branch repairs and improvements for National Westminster.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	131	—	8.4	4.2	7.7	10.0
158	117	Ass. Brit. Ind. CULS	144	—	10.0	6.2	—	—
74	57	Airsprung Group	68	+1	6.1	9.0	19.4	19.4
46	21	Armitage & Rhodes	21	—	4.3	20.5	2.4	4.1
220	98½	Bardon Hill	220	—	7.2	3.3	9.0	18.3
151	100	CCL 11pc Conv. Pref.	143	—	15.7	11.0	—	—
270	192	Cindico Group	192	—	17.8	6.2	—	—
88	45	Deborah Services	54	—	6.0	11.1	3.6	8.6
124	77	Frank Horsell	124	—	—	—	5.2	8.6
118	78½	Frank Horsell Pr Ord 87	118	—	8.7	7.4	6.0	8.1
83	58	Frederick Parker	58	—	7.1	12.2	3.6	6.8
55	32	George Blair	32	—	—	—	5.5	11.6
100	65	Ind. Precision Castings	65	—	7.3	11.2	8.3	10.5
200	100	Isis Conv. Pref.	198	−2	15.7	7.9	—	—
112	47	Jackson Group	112	—	4.5	4.0	6.8	11.5
237	111	James Burrough	210	—	11.4	5.4	11.6	11.8
260	139	Robert Jenkins	139	—	20.0	14.4	16.2	10.9
83	54	Scruttons "A"	68	—	5.7	8.4	17.3	8.2
167	110	Torday & Carlisle	112	—	11.4	10.1	2.0	5.6
29	21	Unilock Holdings	24	—	1.0	4.2	16.0	22.2
88	64	Walter Alexander	75	—	6.8	9.1	5.4	2.7
276	214	W. S. Yeates	266xd	—	17.1	6.4	4.1	8.6

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APPOINTMENTS

Corporate planning chief for British Gas

Mr Roy Parsons, currently director of corporate planning and management services in the southern region of British Gas, has been appointed director of corporate planning at BRITISH GAS headquarters, from September 12.

★

Following six years serving in the Netherlands as vice president and technical director of FASSON EUROPE, Mr Don E. Kember has returned to the UK to combine this position with that of head of the Fasson manufacturing plant and European central research group at Cramlington, Northumberland. This is the first occasion on which a vice president of the Europe-wide company has been resident in the UK. He takes over from Mr Hylton Smith who has left to pursue a new career in sports and recreational management.

★

Mr Robert Lancashire has been appointed managing director of NAPCO EUROPE. He joined the company as engineering director in 1971 and became deputy managing director in March 1982.

STONE & WEBSTER ENGINEERING has appointed Mr Hector Watts as non-executive director. He retired as chief executive of LASMO (London and Scottish Marine Oil at the end of last year having previously held senior appointments with BP. Stone and Webster Engineering is affiliated with Stone and Webster Engineering Corp. of Boston.

★

Mr Anthony Beaumont-Dark has been appointed a non-executive director of BIRMID QUALCAST. He is a senior partner of stockbrokers, Smith Keen Cutler, and MP for Birmingham Selly Oak.

★

Mr A. Ross Belch has been appointed by the NATIONAL ECONOMIC DEVELOPMENT OFFICE as chairman of its mining machinery sector working party. Formerly managing director of Scott Lithgow, Mr Belch retired in 1980 to develop other business interests. He is currently chairman of Jebsens Offshore Drilling and of Associated British Engineering.

★

Mr Keith Miles has joined the GREATER LONDON ENTERPRISE BOARD as director of finance and administration. He was previously finance director of the Datnow Group, a private property and investment group. GLEB is a company set up by the GLC to implement its industrial strategy, which aims at putting London's jobless back to work and strengthening London's industrial base.

★

ARCO CHEMICAL EUROPE INC, Eton, has formed a urethane chemicals department to be headed by Mr Alan D. Kornfeld, who will be vice president, urethane chemicals. He will co-ordinate ARCO's entry into the polyols market in Europe. Polyols will be produced in three plants, two in France and one in Belgium.

★

Mr Anthony D. Ratcliffe has joined CPC (UNITED KINGDOM) as a divisional director, responsible for manufacturing at Trafford Park. He joins from Dow Chemicals.

★

RANKS HOVIS McDOUGALL has appointed Mr P. A. Metaxa *as managing director* of Rank Hovis (flour milling subsidiary) and of the RHM cereals division from September 5. Mr R. C. Loombe, chairman and managing director of Rank Hovis and of the cereals division, will continue as executive chairman.

★

Mr Maurice Vass has been appointed managing director of RADIO LUXEMBOURG (LONDON) to replace Mr Patrick Cox. *Mr Vass is currently* at Centre Radio in Leicester.

★

Mr George Riley, office manager at Harrogate, has been appointed financial director of HOUSE OF ORANGE. Mr Christopher Orange, based in London and the son of Mr Tom G. Orange, chairman and managing director, is appointed building director.

★

Mr Derek J. Woods has become administration director of REED STENHOUSE MARKETING, and Mr Eric K. Hedges is appointed a director, UK division.

★

RICHARDS has appointed Mr Ray Dinsdale as managing director from October 1 in succession to Mr George H. Hitchen who is taking early retirement. Mr Dinsdale has been managing director of Kingsmead Carpets for the past eight years, and a director of Stoddart Holdings.

★

BIX INTERNATIONAL SERVICES has appointed Mr David Layton to its main board. He has been managing director of BIX Limited since 1982.

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*442)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Goldfields (*514)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*104)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commercial Union (*167)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C.E.G. (*214)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*341)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*536)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Securities (*309)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Spencer (*214)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Transport (*654)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*482)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Group (*110)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LASMO (*305)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*106)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*217)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*489)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*553)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$132)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Sept.	Calls Dec.	Calls Mar.	Puts Sept.	Puts Dec.	Puts Mar.
Beecham (*345)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*183)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Aug. 19 Total Contracts 1,626 Calls 1,163 Puts 463
* Underlying security price.

WORLD STOCK MARKETS

Further losses on Wall St

FURTHER LOSSES were recorded on Wall Street yesterday, in a continuation of a selloff that began Thursday.

By 1 pm the Dow Jones Industrial Average was off another 2.54 to 1159.94, reducing its rise on the week to 7.11, while the NYSE All Common Index, at $94.75, rose 2 cents on the day and $1.41 on the week. Declines outpaced gains by about a five-to-three majority, although the volume dropped 17.41m shares to 46.63m compared with 1 pm Thursday.

Analysts said trading volume was low because investors are awaiting the afternoon's report on the U.S. Money Supply.

Investors have been concerned that the strong growth in the U.S. economy and large Money Supply increases may push interest rates higher. Yesterday morning the Commerce Department said the U.S. Gross National Product in the second quarter rose 9.2 per cent and not the 8.7 per cent previously estimated.

Most economists are expecting a slight decline in the Money Supply. But a Market Newsletter published by "Market Vane" predicted the M-1 figure could be up $3.5bn to $4bn.

Investors are also nervous about the afternoon's report on Durable Goods sales. Investors are hoping the figures will show that the U.S. economic growth is beginning to slow.

Oils, however, particularly the big internationals were reflecting good yield and earnings expectations.

Standard Oil of Ohio moved up $2¾ to $57¼, Mobil $1¼ to $33¾, Exxon $⅜ to $38¼, Superior Oil $⅞ to $37¼, Texaco $⅜ to $35⅞, Phillips $¾ to $38, Standard of Indiana $1 to $54 and Gulf $1⅛ to $43.

Upjohn were down $2¾ to $55, Johnson and Johnson $1⅜ to $41⅞. American Home Products rose $⅜ to $45¼ — American Home and Upjohn asked the FDA to approve over-the-counter sales of a prescription anti-arthritis drug. It would compete with Johnson and Johnson's Tylenol.

THE AMERICAN SE Market Value Index shed 0.10 to 230.88, reducing its rise on the week to 1.15. Volume declined 1.14m shares to 3.729m, compared with 1 pm Thursday.

Closing prices for North America were not available for this edition.

Canada

Prices continued lower at mid-session, although above the worst.

The Toronto Composite Index was down 2.8 to 2,442.1, Golds 18.2 to 4,905.1, Metals and Minerals 5.2 to 2,483.0 and Banks 2.20 to 458.13. Oil and Gas put on 11.6 to 3,774.9.

Dome Canada shed $⅛ to $5¼ on slightly lower second quarter earnings.

Tokyo

The Stock Market Average rose to a record high of 9,139.73, up 50.15 from Thursday's close.

Dealers attributed the rise to expectations of improved business results by Japanese companies, which they said prompted a wave of buying by Domestic and Foreign investors.

Active buying spread across most sections after investors' confidence was boosted by a Research Institute's forecast that Japanese Corporate profits will rise sharply in the second-half fiscal 1983.

Foreign investors bought Blue Chips and "Populars" on the view that the dollar has peaked.

Steels, Machinery, Precision Instruments, Drugs, Chemicals and Oils were higher, with Toa Nenryo up Y10 to 1,050, Banyu Pharmaceutical Y39 to 1,030 and Matsushita Communication Y110 to 3,930.

Paris

Firm again in active trading, as French economic indicators were viewed optimistically.

However, most sectors showed some traces of irregularity.

Constructions were also firmer apart from Bouygues which fell Frs 9 to 755.

Mines were lower, while Oils were mixed.

Foreign shares held less steady with Americans, Japanese and Oils little changed, while Coppers, Golds, Germans and Dutch eased.

Germany

Easier as Institutional investors pared down their portfolios following the sharply lower overnight Wall Street close. Some prices, however, partially recovered from their lows.

Sentiment remained depressed by the partial recovery of the dollar on Foreign Exchanges, expectations of higher U.S. interest rates and by BASF Rights issue on Thursday.

The Commerzbank Index fell 10.3 to 942.2.

Pharmaceutical Schering lost DM 3.5 to 332.5, despite news it expects 1983 group profits to match 1982 results.

Engineering GHH advanced DM 9.8 to 149.8, despite news it is cutting its dividend on 1982-83 results, and the DM 150m net loss of its 75 per cent owned MAN subsidiary will have a negative effect on earnings for the year ended June 1983. MAN rose DM 3 to 129.

Hong Kong

Stocks regained most of their early losses in fairly active late afternoon short-covering.

The Hang Seng Index ended 4.62 down at 996.28, after 974.40 —the first time the Index fell below the 1,000 mark since July 1.

Brokers attributed the early fall to gloomy expectations on interim Corporate results, due soon, and speculation over Rights issues by the closely related companies, HK Land and Jardine Matheson.

Hang Seng Bank rose 9 cents to HK$46.9—after the close, it reported a 6.2 per cent growth in interim net profit for 1983. HK Bank, the holding company, shed 5 cents to HK$7.75.

Sun Hung Kai Bank, however, reported a 55.7 per cent fall in interim profit and its sister company, Sun Hung Kai Securities reported a sharp fall in earnings to HK$14.57 from HK$52.52m. Sun Hung Kai Securities held unchanged at HK$1.47 nominal, while Bank was HK$2 bid.

The Cheung Kong Group was affected by a poor interim result from Green Island Cement, which fell 60 cents to HK$16.10. Cheung Kong were off 10 cents at HK$8.30 and Hutchison Whampoa off 20 cents at HK$13.20.

Singapore

Higher on strong buying interest. The Straits Times Industrial Index put on 9.64 to 968.11.

Trading was active with some plantations in the forefront. Consolidated Plantations transacted 761,000 shares at $S2.96 to $S3.02 before closing at $S3, up 4 cents. Sime Darby, which also has interests in Plantations, rose 9 cents to $S2.47 with 785,000 shares traded.

Australia

Steady in very heavy trading despite the overnight sharp downturn on Wall Street and apprehension ahead of next Tuesday's Federal Budget.

"Off-market" sales accounted for almost half the turnover, with Brokers reporting substantial trading on Overseas accounts and a number of "very large special sales."

Bridge Oil featured, up 10 cents at $A3.10, with two "special" sales totalling 4.68m shares traded at $A3.00 each. The sales, representing 9.6 per cent of issued capital, were worth $A14.04m.

Leading Resource stocks closed narrowly mixed but above early lows.

Golds fell widely, Oil and Gas stocks gained ground.

Switzerland

Domestic Shares lower in moderately active trading, with Engineerings leading the decline after Thursday's news BBC Brown Boveri and Cie, off Frs 95 at 1,235, plans to cut further jobs in its parent company.

The news came only one day after Sulzer, off Frs 20 at 1,620, announced it will extend short-time working.

Thursday's fall on Wall Street and the stronger dollar also depressed sentiment.

Banks edged lower, along with Financials

NEW YORK

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

GERMANY

NORWAY

SPAIN

HONG KONG

SWEDEN

SINGAPORE

AUSTRIA

JAPAN

SOUTH AFRICA

SWITZERLAND

BELGIUM/LUXEMBOURG

ITALY

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar nervous

The dollar improved against most currencies yesterday in rather thin and nervous trading. Proximity of the week-end ensured a reduction in business volumes while the little business seen reflected some adjustments of positions ahead of the latest set of U.S. M1 money supply figures. Market estimates range from a plus figure to a small decline, adding to market uncertainty. The dollar rose to DM 2.6570 against the D-mark from DM 2.6330 and SwFr 2.1560 from SwFr 2.1425. It was also higher against the yen at Y243.80 from Y242.90 and FFr 7.9875 compared with FFr 7.9200. Its Bank of England index rose to 128.2 from 127.6.

Sterling was also firmer. Its trade weighted index rose to a two month high of 85.7 at the close, having stood at 85.8 at noon and in the morning compared with Thursday's close of 85.5. Against the dollar it opened at $1.5190-1.5200 and traded within a range of $1.5130-1.5250 before closing at $1.5175-1.5185, a fall of 55 points. It continued to improve against major European currencies however, finishing at DM 4.0350 in terms of the D-mark compared with a previous close of DM 4.0150 and SwFr 3.2750 from SwFr 3.2675 against the Swiss franc. It rose to FFr 12.12 in terms of the French franc from FFr 12.0625 and Y370.5 from Y370.25.

Activity within the European Monetary System was rather subdued with most member currencies showing a weaker trend against the dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.6892	+1.76	+1.06	±1.5447
Danish Krone	8.14104	8.21153	+0.87	+0.16	±1.6425
German D-Mark	2.24184	2.27974	+1.69	+0.97	±1.0642
French Franc	6.87456	6.85510	−0.28	−1.00	±1.4052
Dutch Guilder	2.52595	2.58042	+0.97	+0.25	±1.4964
Irish Punt	0.72569	0.722033	−0.50	−1.22	±1.6699
Italian Lira	1403.49	1359.00	−3.17	−3.17	±4.1606

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Aug 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5130-1.5250	1.5175-1.5185	0.05-0.10c dis	−0.59	0.22-0.27dis	−0.64
Canada	1.8710-1.8850	1.8730-1.8740	0.05c pm-0.05 dis	—	0.12-0.02 pm	0.16
Nethlnd.	4.48¾-4.53½	4.50½-4.51½	1½-1c pm	3.32	4¼-3¼ pm	3.56
Belgium	80.50-81.20	80.70-80.80	8c pm-2 dis	0.44	15-8 pm	0.49
Denmark	14.48-14.58	14.55½-14.56½	1⅛-⅞ore pm	7.08	2½-1 pm	0.46
Ireland	1.2710-1.2820	1.2745-1.2755	0.32-0.37c dis	−3.25	0.85-0.95dis	−2.82
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 81.25-81.35. Six-month forward dollar 0.42-0.47c dis. 12-month 0.65-0.75c dis.

THE DOLLAR SPOT AND FORWARD

Aug 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5130-1.5250	1.5175-1.5185	0.05-0.10c dis	−0.59	0.22-0.27dis	−0.64
Ireland†	1.1870-1.1920	1.1890-1.1900	0.37-0.32c pm	3.48	0.96-0.86 pm	3.03
Canada	1.2335-1.2350	1.2340-1.2345	0.10-0.07c pm	0.83	0.37-0.24 pm	0.83
Nethlnd.	2.9645-2.9760	2.9710-2.9730	1.06-0.96c pm	4.04	3.19-3.00 pm	4.10
Belgium	53.10-53.25	53.20-53.22	7-6c pm	1.46	19-16½ pm	1.33
Denmark	9.5480-9.5650	9.5600-9.5650	1.80-1.30ore pm	1.94	4.25-3.75 pm	1.67
W. Ger.	2.6460-2.6630	2.6565-2.6575	1.13-1.05pf pm	4.93	3.30-3.25 pm	4.93
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−17.33
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−20.63
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−7.40
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−2.68
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−4.83
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−0.87
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.85
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.39
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.86

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.55-53.60.

EXCHANGE CROSS RATES

Aug. 19	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.518	4.035	370.5	12.12	3.276	4.510	2409.	1.874	80.76
U.S. Dollar	0.659	1.	2.658	244.1	7.984	2.157	2.971	1587.	1.234	53.19
Deutschmark	0.248	0.376	1.	91.82	3.004	0.812	1.118	598.2	0.464	20.01
Japanese Yen 1,000	2.699	4.097	10.89	1000.	32.71	8.839	12.17	6489.	5.057	217.9
French Franc 10	0.825	1.252	3.329	305.7	10.	2.702	3.721	1981.	1.546	66.63
Swiss Franc	0.305	0.464	1.232	113.1	3.701	1.	1.377	735.5	0.572	24.66
Dutch Guilder	0.222	0.337	0.895	82.18	2.687	0.726	1.	533.5	0.415	17.90
Italian Lira 1,000	0.415	0.630	1.650	154.1	5.034	1.364	1.876	1000.	0.780	33.52
Canadian Dollar	0.534	0.810	2.154	197.8	6.469	1.748	2.407	1282.	1.	43.10
Belgian Franc 100	1.238	1.880	4.997	458.8	15.01	4.056	5.586	2974.	2.320	100.

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 9½ per cent (since June 14)

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £350m although this was later revised to £450m. Assistance in the morning comprised purchases of £312m: £55m of eligible bank bills in band 1 (up to 14 days) at 9⅜ per cent and £20m in band 2 (15-33 days) at 9⅜ per cent. In band 3 (34-63 days) it bought £29m of eligible bank bills at 9⅜ per cent and in band 4 (64-91 days) £5m of local authority bills and £203m of eligible bank bills (64-84 days) all at 9⅜ per cent.

Further help of £158m was given in the afternoon, making a grand total of £470m. The afternoon help comprised purchases of £132m of eligible bank bills in band 1, £13m in band 2 and £13m in band 3, all at established rates. Factors affecting the market included bills maturing in official hands and a net take-up of Treasury bills −£120m and a rise in the note circulation of £260m. In addition banks brought forward balances about £110m below target while on the other hand Exchequer transactions added an estimated £130m to the system.

In the interbank market weekend money opened at 9½-9¾ per cent and rose to 9¾-10 per cent before coming back to 8½-9 per cent. Balances later in the day commanded up to 10½ per cent however.

LONDON MONEY RATES

Aug. 19 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8½-10½	8-11	—	—	9¾-10⅛	8-9¾	—	—	—
2 days notice	—	—	9⅛-9½	—	—	—	—	—	—	—
7 days or ...	—	—	—	—	—	9¾-9⅞	—	—	—	—
7 days notice	—	9⅛-9¾	9⅛	—	—	9⅝-9⅞	9¼-9½	—	—	—
One month	9⅜-9¼	9⅜-9½	9½	10⅛-9¾	9½	9⅞-10	9-9¼	9½	9½	10⅛
Two months	9⅝-9½	9½-9¾	9⅝	10⅛-9¾	9⅝	10⅛	9⅝	9⅝-9⅝	9⅝-9⅝	10⅛
Three months	9⅞-9⅝	9¾-9⅞	9¾	10¼-9⅞	9⅝	—	9½	9⅝-9⅝	9⅝	10⅜
Six months	10⅛-9⅞	10⅛-10¼	10-10⅛	10-9⅝	10⅛	—	—	—	9⅝-9⅝	10¼
Nine months	10¼-10⅛	10⅜-10½	10⅛	10⅝-10¼	10⅛	—	—	—	—	—
One year	10⅜-10⅛	10⅛-10⅝	10⅛	10⅝-10¼	10⅛	—	—	—	—	—
Two years	—	—	11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV, Average Rate for interest period July 6 to August 2 1983 (inclusive) 9.969 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅛ per cent; four years 11⅛ per cent; five years 11⅝ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9½-9⅝ per cent; four months trade bills 10⅛ per cent.

Approximate selling rate for one month Treasury bills 9⅜ per cent: two months 9½-9⅝ per cent and three months 9⅝-9⅝ per cent. Approximate selling rate for one month bank bills 9⅜ per cent: two months 9⅝ per cent and three months 9⅝ per cent, two months 9⅝ per cent and three months 9⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10 per cent from August 1, 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 8 per cent.

Treasury Bills: Average tender rates of discount 9.3291 per cent. Certificates of Tax Deposit (Series 6) Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-six months 10¼ per cent, six-12 months 10⅛ per cent. Under £100,000 9⅛ per cent from July 20. Deposits held under Series 4-5 9¼ per cent. The rates for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 19	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9⅛-9⅝	9¼-9⅛	9⅜-9½	9¾-9⅞	10⅛-10¼	10⅜-10⅞
U.S. Dollar	9⅛-9¾	9⅝-9⅞	9⅝-9¾	10⅛-10¼	10⅛-10¾	10¾-11
Can. Dollar	8⅛-9¼	8½-9	8¾-9⅛	9¼-9½	9¾-10	10¼-10½
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sw. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Conv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER CURRENCIES

Aug. 19	£	$		£ Note Rates
Argentine Peso	16.30-16.40	10.749-10.769	Austria	28.20-28.50
Australia Dollar	1.7165-1.7185	1.1515-1.1520	Belgium	80.70-81.50
Brazil Cruzeiro	995.76-998.75	654.00-657.00	Denmark	14.44-14.58
Finland Markka	8.6120-8.6565	5.6790-5.6820	France	12.05-12.17
Greek Drachma	136.70-137.30	90.00-90.20	Germany	4.00½-4.04½
Hong Kong Dollar	11.97-11.60	7.44-7.46	Italy	2370-2410
Iran Rial	131.90*	67.40*	Japan	359-374
Kuwait Dinar KD	0.443-0.444	0.2920-0.2921	Netherlands	4.48-4.52
Luxembourg Fr.	80.70-80.80	53.20-53.22	Norway	11.22-11.39
Malaysia Dollar	3.5450-3.5600	2.3400-2.3420	Portugal	181-900
New Zealand Dlr.	2.3145-2.3196	1.5255-1.5280	Spain	219¼-254¼
Saudi Arab. Riyal	5.2795-5.2880	3.4780-3.4610	Sweden	11.82-11.92
Singapore Dollar	3.2950-3.2400	2.1995-2.1515	Switzerland	3.25¼-3.28¼
Sth African Rand	1.6960-1.6990	1.1185-1.1190	United States	1.50½-1.52¾
U.A.E. Dirham	5.5740-5.6795	3.6720-3.6750	Yugoslavia	156-177

*Selling rates.

FT LONDON INTERBANK FIXING

(11.00 a.m. AUGUST 19)

3 month U.S. dollars		6 month U.S. dollars	
bid 10 5/16	offer 10 5/16	bid 10 5/16	offer 10 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983 High	1983 Low
METALS					
Aluminium	£1050		£810	£1050	£810 815
Free Market c.i.f.	$1565/1615		$980/1010	$1585/1615	$995.1025
Antimony:					
Free Market 99.6%	$1890/1940		$950	[illegible]	$1750/850
Copper Cash High Grade	£1064.5	−36.5	[illegible]	[illegible]	£932.75
3 months Do. Do.	[illegible]	[illegible]	[illegible]	[illegible]	£958.25
Cash Cathodes	[illegible]	[illegible]	[illegible]	[illegible]	£894.25
3 months Do.	[illegible]	[illegible]	[illegible]	[illegible]	£922.75
Gold per oz	$417.675		[illegible]	[illegible]	$400.85
Lead Cash	£262		[illegible]	[illegible]	£257
3 months	£271.25		[illegible]	[illegible]	£266.75
Nickel	[illegible]		[illegible]	[illegible]	£4384
Free Market c.i.f. lb	[illegible]		[illegible]	[illegible]	[illegible]
Palladium per oz	$149.00	+2.50	$164		
Platinum per oz	$397.00	−3.75	[illegible]	[illegible]	£244.60
Quicksilver (76 lbs.)	$275/285		[illegible]	[illegible]	$275/285
Silver per oz	[illegible]	[illegible]	[illegible]	[illegible]	680.30p
3 months per oz	[illegible]	[illegible]	[illegible]	[illegible]	497.35p
Tin cash	[illegible]	[illegible]	[illegible]	[illegible]	£7592.5
3 months	[illegible]	[illegible]	[illegible]	[illegible]	£7402.5
Tungsten Ind.	[illegible]	[illegible]	[illegible]	[illegible]	$77.97
Wolfram (22.04 lb.)	[illegible]	[illegible]	[illegible]	[illegible]	$73.77
Zinc	[illegible]	[illegible]	[illegible]	[illegible]	£423.5
3 months	[illegible]	[illegible]	[illegible]	[illegible]	£436.25
Producers	[illegible]	[illegible]	[illegible]	[illegible]	$760
GRAINS					
Barley Futures	£117.40	+0.60	£108.95	£121.93	£109.35
Maize French			£158.00	£151.00	£141.00
WHEAT Futures	£194.85	+0.50	£114.35	£128.85	£118.10
Hard Winter Wheat					
SPICES					
Cloves	£6,250w		£6,800	£6,900	£6,000
Pepper, white	£1,775x		£1,650	£1,900	£1,700
black	£1,575x		£1,170	£1,425	£1,500
OILS					
Coconut (Philippines)	$920v	−80	$410	$1,025	$460
Groundnut					$455
Linseed, Crude				$400	$308
Palm Malayan			$393	$580	$355
SEEDS					
Copra (Philippines)	$645u	−40	$280	$660	$295
Soyabeans (U.S.)	$349		$235	$361	$233.5
OTHER COMMODITIES					
Cocoa Shipments	£1,675.5	−105.5	£987	£1,784	£1,127
Cocoa Futures Dec.	£1520.5	−105.0	£945.5	£1,728	£1,108
Coffee Futures Nov.	£1699.5	+6.0	£1,191	£1,940.5	£1,648.8
Cotton Index	90.35c	+0.75	69.20c	90.35c	70.35c
Des. Coconut	£930	−50	£570	£930	£510
Gas Oil Fut. Sept	$265.00	−0.25	$287	£277.5	$220
Jute UA BWC grade	£350		£245	£350	£240
Rubber kilo	79.00p	−1.50	60p	82p	50p
Sago Pearl	£377w		£215	£377	£242
Sisal No. 3L	$676x	−25	$540/560	$675	$620/650
Sugar (Raw)	£173w		£101	£193.5	£95
Tapioca No. 1	£313x		£240	£312	£265
Tea (quality) kilo	180p		161p	190p	137p
(low med.) kilo	186p			175p	115p
Wooltops 64s Warp	392p kilo	−3	378p kilo	409p kilo	372p kilo

§ Unquoted. (g) Madagascar. (r) Sept. (v) Oct. (u) Nov. (w) Aug.-Sept. (x) Sept.-Oct. (v) Oct.-Nov. § Ghana cocoa.

REVIEW OF THE WEEK

Cocoa down sharply as crop fears ease

BY OUR COMMODITIES STAFF

THE CONTINUED sharp decline on the London cocoa futures market this week was widely interpreted as an indication that earlier pessimistic crop forecasts from West Africa may have been too gloomy.

There was no firm fundamental news to account for the £105.00 drop which took the December quotation down to £1,520.50 a tonne but the absence of substantial manufacturer buying at the reduced levels tended to argue against those who thought the fall was mainly the result of chart-based speculative selling.

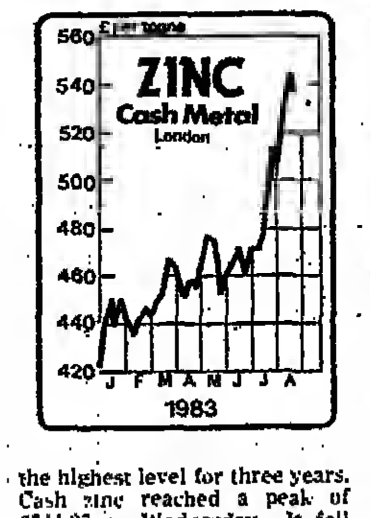
The preferred interpretation was that on-the-spot surveys had not supported earlier alarming crop projections following the drought and bush fires which ravaged West African growing regions this year and that reports now filtering back to London were more encouraging.

World sugar prices fell during the week but then steadied and the London daily raws price, which reached £169 a tonne at one stage, ended only £2 down at £173 a tonne.

Tests showing sharply reduced beet crops and slightly higher sugar contents in France, Denmark, Belgium, the Netherlands and Sweden came as little surprise to the market. Meanwhile London merchants C. Czarnikow confirmed that "average" crops were expected in the UK, Eire and West Germany.

F. O. Licht, the West German sugar statistics organisation described Soviet crop prospects as "promising" but warned that final results could be affected by the efficiency of the country's harvesting and processing operations.

On the London Metal Exchange zinc values rose to the highest level for three years. Cash zinc reached a peak of £544.25 on Wednesday. It fell back to close at £539 yesterday but moved sharply higher in after-hours trading. Preussag, West German smelters, in a surprise move lifted its European producer quotation from $820 to $850 a tonne. In July Preussag refused to follow other producers who raised their European price from $780 to $820, saying the rise was not justified by demand. Now, after belatedly going to $820 earlier this month, the company decided to lead the move to a higher level. It has been followed already by other producers—Cominco of Canada and Electrolytic Zinc of Australia—although some companies, it is believed, would have preferred a bigger increase in view of the continuing strength of the LME market.



Aluminium futures lost ground this week. In spite of rallying strongly yesterday, cash aluminium closed £11.5 down on a week ago at £1,076 a tonne. However, it established a sizeable premium over copper which was hit by heavy selling from both trade and speculative sources.

Higher grade cash copper ended the day £21.5 lower at £1,064.5 a tonne, £36.5 down on the week. A rise in warehouse stocks, and doubts about demand prospects, undermined market sentiment and chart selling points were triggered off.

Tin also came under pressure. The cash price ended the week £177.5 a tonne lower at £8,427.5 a tonne. However, the buffer stock of the International Tin Council strongly denied market rumours that it was running out of money.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,107, 06, 05, 04, 03, 02, 01.50, 01. Cathodes: Three months £1,067. Kerb: Higher Grade: Three months £1,102, 01, 1,100, 1,100.50, 01, 1,100, 1,099, 1,100, 1,100.50. Afternoon: Higher Grade: Three months £1,094, 93, 92, 91, 93, 92.50, 92, 91, 92, 92.50. Kerb: Higher Grade: Three months [illegible] £554, 55, 55.50, 58, 58, 60, 61, 60, 59, 58, 59. Turnover: 11,525 tonnes.

ALUMINIUM

Aluminium—Morning: Cash £1,076, three months £1,106.50, 06, 05.50, 04, 02, 02.50, 03, 04, 04.5, 05, 05.50. Kerb: Three months £1,105, 04, 04.50. Afternoon: Three months £1,101, 1,100, 1,099.50, 99, 1,101, 02, 02.50, 03, 03.50. Kerb: Three months £1,104, 03, 04, 04.50, 04, 03.50. Turnover: 12,475 tonnes.

COPPER

NICKEL

TIN

SILVER

LEAD

ZINC

COFFEE

COFFEE	Yest'day's Close	+ or −	Business Done
Sept.	1791-22	−8.0	1721-10
Nov.	1699-00	−8.5	1700-85
January	1675-76	−8.0	1677-66
March	1638-58	+9.0	1657-25
May	1607-10	−11.0	—
July	1585-95	−5.5	—
Sept.	1570-82	−8.0	—

GRAINS

SOYABEAN MEAL

POTATOES

SUGAR

RUBBER

INDICES

FINANCIAL TIMES

Aug. 18	Aug. 17	M'th ago	Y'ar ago
288.88	291.69	279.66	229.35

(Base: July 1 1952=100)

REUTERS

Aug. 19	Aug. 18	M'th ago	Y'ar ago
1905.5	1917.0	1866.9	1558.8

(Base: September 18 1931=100)

MOODY'S

Aug. 18	Aug. 17	M'th ago	Y'ar ago
1091.8	1098.5	1068.9	1000.1

(December 31 1931=100)

DOW JONES

Dow Jones	Aug. 18	Aug. 17	Month ago	Year ago
Spot	145.67	148.11	142.71	131.16
Fut's	161.48	152.98	147.90	127.11

(Base: December 31 1974=100)

AMERICAN MARKETS

NEW YORK, August 19.

Gold and silver came under pressure on fears that an upward revision in the money supply figures for last week might be forthcoming in Friday's report. Copper came under pressure from a large build up in exchange stocks. Sugar fell sharply on the failure of fresh cash interest to develop which encouraged selling and stop-loss selling by commission houses. Cocoa remained under pressure on continued reports of better than expected crop out-turns in the Ivory Coast. Coffee was firm on dealer buying which touched off commercial house buy stops. Cotton was steady on forecasts that precipitation from hurricane Alicia would not affect the dry situation in the cotton belt. Soybeans declined the daily limit on speculative liquidation prompted by concern about moisture in the corn belt over the weekend. Maize, however, was firm on reports of Soviet business and the belief that the rain over the weekend would be of little benefit to the crop. Heating oil attracted early selling on weakness in London as well as gasoline and crude oil. However, nearby trading months were firm, relative to distant months on reports of refinery closures in the Houston area due to hurricane Alicia, reported Heinold Commodities.

NEW YORK

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	130.90	131.40	128.75	128.82
Dec	131.23	131.60	129.25	129.54
March	128.64	128.70	126.72	126.95
May	125.75	126.00	124.47	124.76
July	123.50	—	—	122.88
Sept	121.25	120.25	120.25	120.40
Dec	120.50	121.05	121.00	119.50

SUGAR WORLD "11" 112,000 lb: cents/lb

	Close	High	Low	Prev
Sept	10.20	10.82	10.20	10.62
Oct	10.76	11.26	10.70	11.15
Jan	11.60	12.10	12.01	11.90
March	12.14	12.62	12.10	12.60
May	12.46	12.60	12.45	12.82
July	12.67	15.10	12.65	13.02
Sept	12.88	13.01	12.88	13.25
Oct	13.07	13.50	15.05	13.43
Jan	13.07	—	—	13.43

CHICAGO

LIVE CATTLE 40,000 lb: cents/lb

	Close	High	Low	Prev
August	63.62	63.92	63.00	62.97
Oct	58.67	58.85	58.50	58.25
Dec	59.12	59.40	59.05	58.90
Feb	60.92	61.20	60.87	60.82
April	62.82	63.15	62.75	63.02
June	64.20	64.45	64.00	64.22

SOYABEAN OIL 60,000 lbs: cents/lb

	Close	High	Low	Prev
Aug	29.60	30.20	29.40	30.48
Sept	29.70	30.20	29.52	30.38
Oct	29.80	30.17	29.55	30.47
Dec	29.92	30.20	29.60	30.47
Jan	29.80	30.10	29.70	30.38
March	29.75	30.00	29.60	30.30
May	29.38	29.70	29.30	30.10
July	29.02	29.20	28.80	29.60
Aug	27.55	27.60	27.40	28.13
Sept	26.43	26.63	26.33	27.30

Tate and Lyle delivery price for granulated basis white sugar was £405.9 (same) a tonne for home trade and £283.50 (£279.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 18: Daily price 10.47 (10.27): 15-day average 10.85 (10.89).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 562.0, 565.0, 562.0; Dec 574.0, 577.0, 574.0-572.0; March 593.0, 595.0, 593.0-592.0; May 607.0, 608.0, 607.0-605.0; July 621.0, 623.0, 621.0; Oct 615.0, 616.5, 616.0-615.0; Dec 621.0, 622.5, 622.0-621.0. Sales: 67 (39).

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Aug 427; Oct 429, 431, 431-430; Dec 429, 430, 430-429. Jan 429, 431, 430; March 439, 440, 440-439. May 446, 447, 447-446; Aug 457, 458, 458-456; Oct 459, 461, 459; Dec 467, 469, 466; Jan 467, 472. Sales: 71 (131).

COTTON

Turnover 307 (620) lots of 100 troy ounces.

LIVERPOOL—Spot and shipment sales amounted to 393 tonnes, bringing the total for the week to 881 tonnes, against 489 tonnes in the previous week.

purchasing arrangements. Operations were concentrated on North American and Middle Eastern styles, although more demand was directed towards African and South American qualities.

Split-level plan wins Edinburgh contest

TWO LONDON-BASED architects have won a competition to design a "Trafalgar Square" for Edinburgh. Bob Allies and Graham Morrison beat 110 other entries with their split-level square scheme for the Mound site linking Edinburgh's old and new towns. Their prize of £2,500 was presented yesterday.

The site's owners, the Property Services Agency and Lothian Regional Council, sponsored the competition. Second prize of £600 went to Michael Browne Associates of London and third (£400) to a team from Edinburgh University's department of urban design and

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.85-28.90	−0.05
Iranian Light	28.15-28.20	−0.05
Arabian Heavy	26.65-26.70	−0.03
North Sea (Forties)	29.90-30.30	−0.57
North Sea (Brent)	31.05	−0.10
African (Bonny L'ht)	31.00-31.10	−0.02
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	312-314	—
Gas oil	258-262	−0.6
Heavy fuel oil	171-174	+1.5

GAS OIL FUTURES

The market continued to lack direction. Volume remained low with little change on the opening, with little interest from the trade. Underlying support in New York kept prices towards the highs of the day's range until the close.

Month	Yest'day's close ($ U.S. per tonne)	Change + or −	Business Done
Aug	259.00	−0.50	259.25-58.25
Sept.	263.00	−0.75	265.50-62.00
Oct	267.50	—	267.50-66.25
Nov	269.75	−1.00	270.50-69.25
Dec	272.25	−1.00	272.75-72.50
Jan	279.25	−1.25	272.75-72.25
Feb	270.00	−1.25	270.00-70.00
Mar.	265.75	+2.00	268.50-67.00
April	257.00	−5.50	257.00-57.00

Turnover: 1,684 (1,239) lots of 100 tonnes.

GOLD MARKETS

Gold fell $4½ from Thursday's close in the London bullion market yesterday to finish at $417¾-418¼. The metal opened at $418¾-419¼ and traded between a high of $419½-420 and a low of $416½-420. Trading was rather quiet and the weaker trend merely reflected a slightly firmer tone in the dollar ahead of the latest U.S. money supply figures.

LONDON FUTURES

Month	Yest'rday's close ($ per troy ounce)	+ or −	Business Done
Aug.	417.00-19.5	−3.75	—
Sept	416.00-21.0	−6.00	—
Oct.	422.50-23.0	−3.60	428.00-22.40
Nov.	424.60-29.5	−3.48	—
Dec.	430.10-30.6	−2.15	437.80-28.10
Jan.	433.00-35.2	−3.40	—
Feb.	458.00-69.9	−2.75	440.00

Gold Bullion (fine ounce)	Aug 19		Aug 18	
Close	$417¾-418¼	(£275⅛-976)	$422-422¾	(£277-277½)
Opening	$418¾-419¼	(£275¾-976¼)	$422-422¾	(£277½-278)
Morning fixing	$419.10	(£275.814)	$421	(£276.664)
Afternoon fixing	$417.75	(£275.107)	$421.60	(£276.357)

Gold Coins Aug 19

Krugrnd	$430¼-431	(£284-284½)	King Sov	$101-102½	(£66½-67½)
½ Krug	$221¼-222¼	(£145¼-147)	Victoria Sov	$101-102½	(£66½-67½)
[illegible]	[illegible]	[illegible]	French 20s	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	50 pesos Mex	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	100 Cor. Aust	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	$20 Eagles	[illegible]	[illegible]

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. Φ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRL

A—B

C—D

E—F

G—H

I—J—K

Johnson Firth Brown 11.05pcPf (£1) 28 (15/0). 11pcLn 1993-98 £48½ 54½ (17/8)

Johnson Group Cleaners OpcPf (£1) 80 (16/8)

Johnson Matthey 7¼pcDb 1990-95 £72 (16/8)

Johnston Group 10pcPf (£1) 110 (10 0)

Jones Shipman 4.9pcPf (25p) (17/8)

Jones, Stroud 10pcPf (£1) 80½

Juliana's (2p) 355Φ

Kayser Bondor 6pcPf (£1) 42 (15 0). 6½pc Db 1002-87 £81½ (15/0)

Kelsey Inds 11½pcPf (£1) 119

Kanndo Motor 7pcPf (£1) 52 (17 8)

L—M

N—O—P

Q—R—S

T—U—V

Tyzack (W. A.) (10p) 24

UBM Gp 7¼pcDb 1985-0) £77¼ (17.8)

UDS Gp 4½pcDb 1085-00 £65½ (10/8). 6pcDb 1978-83 £102¼. 7½pcDb 1985-99 £83¼ (17/8). 6¼pcLn 2002-07 £50 (17/8). 7½pcLn 2004-09 £67¼Φ

Ulster Television Nng-V A 96 7 8 (17/8)

Unicorn Inds 8½pcLn 2000-05 £73. 10pcLn 1009-94 £70½

Unitex Hldgs (10p) 24 5 (15/6)

Unigate 6pcPf (£1) 55 (12/0). 5¼pcDb 1983-88 £78¼Φ. 7¼pcDb 1986-91 £78¼. 5pcLn 1991-00 £58 (15/8). 6½pc Ln 1991-90 £65½. 6½pcLn 1992-97 £101 (15/0)

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

No. of bargains included 1,019

Brit Petroleum 9pc2ndPf (£1) 83

Britoil (10p) 248 50 1 2 3 4 5 6 7 8

Burmah 7¼pcPf (£1) 62 ½ 0½ 4½. 6pc Pf (£1) 70 (17/6). 7½pcLn 1901-80 £89½ 90¼

Dome Petroleum Shs npv 290 (15/8)

London & Scottish Marine O½pcPf (£1) (Pd) ad 0/12/63) 81 ¼ ½ 2

Shell Transport & Trading 5½pc1stPf (£1) 50 (18/8). 7pc2ndPf (£1) 54½ 5 0

Texas (L) Petroleum Shs npv 24 ½ 37-64ths

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

Mersey Docks & Harbour Co Combined Units 53 ½ 4 ½ 5 ½ 0 ½ ½. 3½pcDb 1974/84 £85 (17/8). 3¼pcDb 1979/89 £53½. 3½pcDb 1979/89 £54 (12/8). 6½pcDb 1994/97 £47 (17/8). 6¼pcDb 1996/99 £49½ (16/8). 3½pcDb £21 (17/8)

WATERWORKS

Bournemouth & District Water Co 2.8pc Pf £28½ (16/8)

Bristol Waterworks Co 3.5pcPf £37

Cambridge Water Co 3.5pc £36½ (12/8). 4.2pcPf 1984-86 £83 (12/8)

UNLISTED SECURITIES MARKET

Manchester and London 9½ 10 ½ (15/8)

MRibank 7½ 1/16 (12/8)

Norton Villiers Triumph (10p) 3½ 3

Nuthalls 7pcPf (£1) 37 40 (17/8)

Oldham Ests (50p) 93 4

Duvan Highbelds (£1) 73 5 80 (17/8)

Pittencrieff (£1) 120

Plantation and Gen Invs (25p) 121 1/16 (17/8)

Roche Servs (10p) 33 5 (16/0)

Stead and Simpson 4½pc 1089 £38⅝ (10/8)

Star Offshore Services (50p) 50 1

Taddale Invs (10p) 50½ 1 (15/8)

Tottenham (25p) 100 5

Utd Tin Areas (12½p) 8½ 9

UTC 69 (17/8)

Welsh Inds Inv Tst Pfd 10 1

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

ACI Intnl 88

Aberfoyle 495Φ 82 8

Acmex Hldgs 44Φ

Acorn Secs 74 7

Agnico-Eagle Mines £10½

Allflex Hldgs 217 (17/8)

Alliance Oil Dev 217 (17/8)

Allstate Explns 39Φ 9

Amadi 148

American Cyanamid £33⅞

American Home Prods £30⅝

American Standard £21⅛

Ampol 92 3 (16/8)

Amsterdam-Rotterdam Bk £14⅝Φ (15/8)

Anglo Utd Dev 70

Apex Oil (A$0.25) 8½ 10 (12/8)

Argo Inv 136Φ (12/8)

Ashton Mining 89Φ 8

Gem Expln and Minerals 3 (16/8)

General Oriental 493 5 8 9

Genoa Oil 73

Geometals 27Φ 7 (17/8)

Great Eastern Mines 20

Greenbushes Tin 85 6.9 (17/8)

Greenvale Mining (A$0.05) 90 (16/8)

Greenwich Resources 35Φ 40

Gulfstream Resources 87

Hang Seng Bank 435 (16/8)

Hamon North West 270 ½

Hartogen Energy 160Φ 58

Hawk Invs 27Φ

Hemokinetics Inc 34

Henderson Land Dev 11Φ (17/8)

Highveld Steel and Vanadium US$4.60 4.65

Highwood Resources 175

Hill 50 Gold Mines 33 (17/8)

Hill Minerals 52 4

Hitachi 236 8 (12/0)

Hong Kong and Kowloon Wharf and Godown 35½ (16/0)

Hong Kong Electric Hldgs 53 (16/8)

Hong Kong Land 33 ½ 5 ½

Hong Kong Telephone 350 (16/8)

Hospital Corp of America US$47⅞

Humana Inc £21

Hutchison Whampoa 110 ½ 17½ 10 19

Imperial Oil Class A Conv £10⅝ (10/8)

Indian Ocean Resources (1982) 77 9

Western Continental Corp 19 (17/8)

Westfield Minerals 130

Westfort Petroleum 29

Westinghouse Electric £30¾

Wheelock Marden A 39½Φ 7½

Wheelock Marden B 1¼ (12/8)

Whim Creek 152Φ 3Φ 2 3 4 5

Williams US$27⅛Φ 8¾ (15/8)

Windsor Resources 27 ½

Woodside Petroleum 73½

Woolworth (F.W.) of America £22¾ (15/0)

Woolworth (A$0.50) 130 (17/8)

World Intnl (Hldgs) 15½

York Resources 22Φ 20½ 1½

Zone Petroleum 220Φ (16/8)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Voyager Petroleums (UK) (10p) 63

Conroy Petrol and Natural Res (Ir£0.25) 110 (12/8)

Kenmare Oil (Ir£0.25) 11 (12/8)

(By permission of the Stock Exchange Council)

Authorised Units—continued

Offshore and Overseas—continued

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27561
Schroder Money Funds Ltd.

Sterling	£14.0087	+0.0223	—
U.S. Dollar	$26.2135	+0.0449	—
D-mark	DM51.1816	+0.0395	—
Swiss Franc	SwFr50.9987	+0.0375	—

J. Henry Schroder Wagg and Co Ltd
120 Cheapside, EC2. 01-382 6000

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Am	$23.01	—	—
T-G Money	$21.33	—	—
T-G E'Bond	$15.46	—	—
T-G Com	$20.42	—	—
T-G Mort	C$19.72	—	—
T-G O'seas	$12.30	—	—
T-G Pacific	Y2,051	—	—
T-G Wall St	$25.39	—	—

Insurances—continued

GHH hit hard by 23% drop in orders

By James Buchan in Bonn

EUROPE'S largest mechanical engineering group, Gutehoffnungshuette Aktienverein (GHH), confirmed yesterday that it would cut its dividend for 1982-83 from 14 to 10 per cent per DM 50 nominal share in the face of a decline in business.

In a shareholders' letter covering the year up to the end of June, GHH said that foreign orders booked in the year slid 37.4 per cent to DM 7.25bn although domestic orders fell only 2.8 per cent (to DM 7.5bn) and the group noted some signs of a moderate recovery at home. Overall, orders booked were down 23.5 per cent. The group's sales revenues fell 11.8 per cent to DM 15.7bn ($5.97bn).

GHH, which had maintained its dividend at DM 7 per nominal DM 50 share since 1976-77, has been particularly hit by problems at MAN, its commercial vehicle and diesel engine building subsidiary, which booked operating losses of DM 300m, only half of which are being covered by extraordinary earnings. The MAN dividend was cut in 1981-82 from DM 7 to DM 4.

KLM boosts share issue

By Our Amsterdam Correspondent

KLM, the Dutch national airline, has decided to increase the size of its forthcoming share issue from 1m to 1.54m shares. As before, 70 per cent of the new equity will be released on the U.S. market and the rest in Europe. Price will be fixed next month.

The strong dollar and increasing U.S. investor interest in KLM has prompted the issue, revenue from which will help pay for additions to the airline's fleet coming into service.

Interim earnings slide at Sun Hung Kai companies

BY ROBERT COTTRELL IN HONG KONG

HONG KONG'S Sun Hung Kai Securities and Sun Hung Kai Bank have both reported sharply lower 1983 interim earnings. The two companies are currently subject to merger proposals for which shareholder approval will be sought next Friday.

The proposals are backed by the major shareholders in both SHK companies — Merrill Lynch, Paribas, and Mr Fung King Hey, Sun Hung Kai's founder.

Sung Hung Kai Securities has returned a net profit of HK$14.37m (U.S.$2m) for the six months to end June, compared with HK$72.85m for the same six months of 1982—adjusted to an equity accounting base. Sun Hung Kai Bank showed HK$7.1m profit for the half year, against HK$16.4m in the previous year.

Interim dividend payments are contingent on the implementation of the merger proposals, which would create a new holding company, Sun Hung Kai and Company, with the bank and securities companies as its subsidiaries. If the merger is approved, shareholders will receive a 2 cents a share interim dividend from Sun Hung Kai and Company. If not, SHK Securities plans to pay 3 cents and SHK Bank 1.5 cents a share.

The two companies' 1982 interim distributions were 10 cents and 4 cents a share respectively. SHK Securities also paid a 10 cents interim cash bonus in 1982.

Other local banks joining the interim reporting season have reflected the trend towards slower profits growth foreshadowed by Bank of East Asia, which reported near-static earnings on Thursday. Hang Seng Bank, quoted subsidiary of the Hongkong and Shanghai Banking Corporation, yesterday showed interim profits 6.2 per cent up at HK$286.3m.

Also reporting yesterday, Wing Lung Bank showed profits steady at HK$50.9m for the half year, against the previous year's HK$50.4m.

ABN underlines recovery in Dutch banking sector

BY WALTER ELLIS IN AMSTERDAM

THERE WAS further evidence yesterday of the Dutch banking recovery with the announcement by ABN, the biggest commercial bank, of a 22 per cent rise in earnings for the first half of 1983 and an 11 per cent improvement at Nederlandse Credietbank.

Both ABN and Credietbank have maintained a high level of provisions. But ABN has, on the whole, weathered the storms of the international recession better than any other Dutch bank except for Rabo, the giant co-operative.

ABN's net profit for the six months was Fl 228m ($77.4m), deriving from a consolidated gross profit up 30.5 per cent at Fl 690m. Provisions came to Fl 324m.

ABN's half-year dividend is to remain steady at Fl 13 a share.

At Credietbank, 30 per cent owned by Chase Manhattan of the U.S., earnings were up to Fl 6.3m, compared with Fl 5.7m for the first half of last year. Gross profit rose by 41 per cent to Fl 46.8m, and provisions went up from Fl 27m for the opening half last year to Fl 40m.

Balance sheet total fell against June 30 last year from Fl 16.6bn to Fl 14.1bn. Management notes that the bank — fifth largest in the Netherlands — may have further to increase its provisions at the end of the current half year, but is confident that the 1983 overall result will remain favourable.

● Official receivers appointed to manage the affairs of Tilburgsche Hypotheekbank, an ailing mortgage bank, have requested that it be declared bankrupt. The bank has been run in part by a team from the Dutch central bank since July of last year.

Wells Fargo to close 29 branches

By Our New York Staff

WELLS FARGO plans to close 29 of its 390 branches by the end of the year in an effort to reduce costs. The fourth largest bank in California and the 12th largest in the U.S., is to close 18 branches in northern California and 11 in the southern part of the state.

The branches affected are its least profitable, and less than 10 people out of 200 affected will lose their jobs.

Wells Fargo's move reflects a state wide "reconfiguration" of the retail branch system being undertaken by most of the major banks in an effort to cut costs while also rationalising services provided at branch level.

BankAmerica has also been closing branches. So far it has closed 10 this year and is examining the future of another 32 out of its 1,083 branch network system by the year end.

ANZ bids A$92m for Development Finance

By Michael Thompson-Noel in Sydney

AUSTRALIA and New Zealand Banking Group (ANZ) has made a A$92m (U.S.$80.9m) cash offer for Development Finance Corporation of Sydney, one of Australia's longest established investment bankers.

The offer is A$11 a share for all DFC's 8.35m ordinary shares, against a recent market price of A$8.60 and the A$7.50 a share, for 4m shares, offered by Industrial Equity.

DFC's latest full year profit was A$11.2m, against A$7m previously, and directors are recommending a final dividend of 25 cents a share, lifting the total from 32 cents to 45 cents a share.

The offer by ANZ — the only major Australian trading bank not involved in the hectic round of bank mergers two years ago — is conditional upon 90 per cent acceptance.

DFC said yesterday that an association with ANZ "could not help but bring benefits."

● Woolworths of Australia, the country's second biggest retailer, scored a 21 per cent lift in profit in the six months to July 27, to A$17.6m (U.S.$15.5m) on sales of A$1.5bn. However directors said there were few signs yet of higher consumer spending.

The interim dividend is unchanged at 4.5 cents a share.

TWA pay cuts

Trans World Airlines, a unit of Trans World Corporation, is to cut salaries of 10,000 non-unionised personnel by 10 per cent next month in a bid to reduce costs, agencies report from New York. TWA has a total of 28,000 employees.

SA casino groups to merge operations

BY OUR JOHANNESBURG CORRESPONDENT

RENNIES, which controls the Holiday Inns chain in South Africa, and Southern Sun, the hotel group controlled by South African Breweries, are to merge their casino operations.

The deal, which will revolve around a new hotel company formed recently by Mr Sol Kerzner, the flamboyant South African hotelier, will result in a group with a virtual monopoly of gaming operations in the area, controlling 13 casino resorts with a total value of R150m ($135m).

Rennies will eventually have a 37.5 per cent stake in the new casino company. Mr Kerzner, backed by South African Marine Corporation, the country's national shipping line, will hold a further 37.5 per cent. The remaining 25 per cent will be owned by Southern Sun.

The transaction will "significantly benefit tourism in Southern Africa and open up new opportunities for international expansion," it was declared by the interested parties yesterday.

The chairman of the new company will be Mr Dick Goss, who resigned recently as chief executive of South African Breweries. Mr Kerzner will be chief executive of the group.

The deal has become possible following the separation into two companies of Southern Sun's South African hotel interests and its regional casino operation. This followed the protracted negotiations which culminated in South African Breweries falling under the control of the Premier Group.

Control Data to invest in new supercomputer unit

BY PAUL TAYLOR IN NEW YORK

CONTROL DATA, the major U.S. computer manufacture, is to invest up to $100m to set up a company to build the next generation of "supercomputers" capable of undertaking 10bn calculations a second.

The new company, which will be called ETA Systems, will aim to start delivering the new supercomputer in 1986. The machine, which is expected to sell for between $5m and $10m and is targeted at a select market of existing supercomputer users, will be 12.5 times as fast as Control Data's existing Syber 205 computer and five times as powerful as the machine which the Japanese are attempting to build as part of its government-supported "fifth generation" project.

Currently supercomputers are used in defence applications, for weather forecasting and extremely complicated design and simulation work such as that undertaking in developing a new aircraft or car.

The new company will be the latest in about 70 high-tech projects spawned by Control Data in the past couple of years as part of the group's corporate philosophy of encouraging major technological advances through small venture capital funded units.

Control Data said yesterday that it expects to invest between $25m and $35m in the project during the first year.

Although additional funding requirements have yet to be worked out, Control Data said it does not intend to own more than a 40 per cent stake in ETA Systems. The company added that further funds might be raised through a public or private offering.

Hiram Walker in share exchange

By Nicholas Hirst in Toronto

IN A move designed to increase its ability to diversify, Interprovincial Pipe Line of Toronto, has entered into a major share swap with Hiram Walker Resources, an energy and distillery group.

The deal is for Hiram Walker, which owns the Home oil group and produces Canadian Club whisky, to take 13.6m shares in Interprovincial and for Interprovincial in turn to take the same number of shares in Hiram Walker.

With Interprovincial shares at C$27 and Hiram Walker at C$25.62, the total shares changing hands are worth C$723m (U.S.$588m).

By the share exchange Interprovincial will increase its level of Canadian ownership. The company was set up in 1949 on the initiative of Imperial Oil—the largest Canadian oil group which is controlled by Exxon of New York—to act as a common pipeline carrier of crude from Alberta to the East.

Interprovincial now runs a 2,300-mile pipeline from Edmonton to Montreal, the longest in the Western hemisphere, and Imperial remains a 32.6 per cent stake.

As a result of the share swap, Hiram Walker, which is 88 per cent Canadian owned, will end up as the largest shareholder with 34 per cent.

Interprovincial believes this will increase Canadian ownership to the level where it will be able to make acquisitions without automatic scrutiny by the Canadian Foreign Investment Review Agency.

It should also increase the level of grants it might receive for frontier exploration. These grants are available on a sliding scale depending on the degree of Canadian ownership.

Interprovincial has made it clear for some time it wished to diversify in the energy field.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)

Duncan Lawrie Fnd. Mgrs. (g)

Henderson Administration (a) (b) (c)

Lloyd's Life Unit Tst. Mngrs. Ltd.

National Westminster (a)

Save & Prosper—continued

Tyndall Managers Ltd.(a)(b)(c)

INSURANCES

LONDON STOCK EXCHANGE

MARKET REPORT

Leading shares ease back from record levels but equity index retains 13.6 gain on week at 735.7

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Aug 1	Aug 11	Aug 12	Aug 22
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26

* "New-time" dealings may take place from 9.30 am two business days earlier.

A record-breaking week, the first of a three-week trading Account, came to a rather tame close yesterday. Reflecting on the impressive strength of many blue chips over the previous four trading sessions, investors tended to adopt a cautious attitude pending the outcome of this week's U.S. money supply figures and their implications for short-term interest rates there.

Some profit-taking was evident in equity sectors, but the reaction in leading shares owed more to the absence of fresh support and the overnight setback on Wall Street. The latter prompted London dealers to mark quotations lower at the opening.

When viewed against the strong performance earlier in the week, however, equity markets showed marked resilience. The Financial Times Industrial Ordinary share index closed only slightly below Thursday's all-time peak of 738.9, showing a loss of 3.2 at 735.7. Boots rose 9 to 173p following U.S. clearance for over-the-counter sales of its drug Ibuprofen. The only other noteworthy movement against the trend among index constituents was London Brick, which advanced 4 to 86p on talk of an imminent bid from Tarmac.

Overall equity market conditions were much quieter, partly owing to a lull in speculative activity. Company trading statements, however, produced some features. Irish Sea oils, the current most speculative area, encountered further profit-taking in a much reduced turnover. Of other sectors, Insurances, too, met with selling after their above-average showing in the previous few trading sessions.

Government stocks also traded cautiously awaiting the U.S. money statistics. Continuing indigestion following last Wednesday's sell-out of the £800m of Treasury 10 per cent convertible 1986 caused Gilt-edged issues to ease afresh. More long-dated stock was sold, albeit on a more modest scale, to finance purchases of the new Convertible, but losses in this area rarely exceeded ⅛. Short-dated issues were similarly easier.

Insurances easier

An outstanding week for Insurances ended on a much quieter note with profit-taking leaving the recently high-flying Composite and Life sectors easier throughout. Royals, which stimulated interest in Composites after reporting much-better-than-expected interim profits on Tuesday, closed 7 lower on the day but still 40 dearer on the week at 555p. General Accident relinquished 6 to 467p as did Phoenix, to 342p, while Sun Alliance gave up ¼ at £13¼. GRE touched 537p but later reverted to the overnight level of 545p; the half-yearly figures are scheduled for the last day of the month. Pearl, with interim results due next Wednesday, softened 5, however, to 720p. Prudential lost 8 but still recorded a gain of 42 on the week at 492p.

Grindlays became a prominent casualty in the banking sector, falling 15 to 150p following fresh liquidation of speculative positions as bid hopes faded in the wake of the Citibank/Lloyds shareholdings deal. Midland new nil-paid shares took another tumble, closing 8 down at 80p premium, but the old shares ended unaltered at 438p. Elsewhere, Minster Assets put on 5 to 111p in response to Press comment and Wagon Finance rose the same amount to 53p ahead of next Friday's first-half results.

U.S. security alarms services concern SCUSA gained 16 to 120p following the agreed purchase of two U.S. companies for $2m cash.

Despite an advantageous climate, leading Breweries passed a subdued session, and only Whitbread, 4 better at 150p, attracted appreciable support. Bass hardened a penny to record a gain on the week of 25 at 345p. Regionals also lacked support, especially Boddingtons, which dipped 6 to 130p. A rare bright spot was noted in South London brewers Youngs where the non-voting rose 15 to 175p on yield considerations.

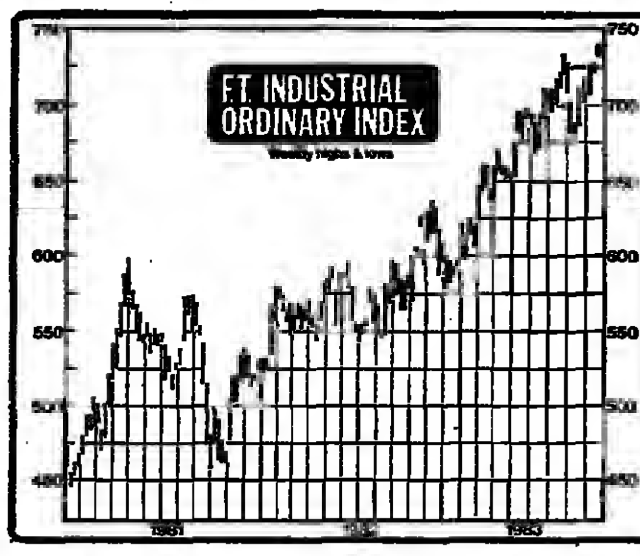
London Brick highlighted the Building sector, rising 4 to 86p on revived speculation of a possible bid from Tarmac, 4 off at 418p. Blue Circle, interim results due next Thursday, edged up 3 to 438p, but most other leading issues closed a shade lower. Elsewhere, French Kier, a weak market recently on Iraqi contract wrangles, shed 2 more to a 1983 low of 107p; yesterday, the company announced that it had been awarded UK construction contracts worth £21.7m. Buyers returned for John Finlan, 4 better at 206p, but profit-taking clipped that amount from Marchwiel, at 206p. Cement Roadstone, recently firm on Irish economy recovery hopes, drifted off to close 4 down at 56p, but Benford Concrete Machinery hardened a penny to 59p despite lower interim profits. Roberts Adlard rose 4 to 130p and Trent Holdings revived 6 to 214p.

ICI were marked down to 534p at the outset, but subsequently edged off the bottom to close 8 down on balance at 536p.

Waring disappoint

Waring and Gillow disappointed in announcing a sizeable full-year loss and fell to 92p before rallying to close 7 lower on balance at 95p on thoughts that the company may be vulnerable to a bid. Harris Queensway, generally regarded as a possible suitor for Waring were unchanged at 282p, up 22 on the week following the revision of a broker's profits forecast. Elsewhere in Stores, MFI were wanted at 137p, up 6, while Comet advanced 12 to 290p, but Lincroft Kilgour eased 1½ to 59p on the loss of its Transport Authority uniform contract. The undertone among leading stocks remained firm although once again business levels were modest. House of Fraser stood out with a gain of 6 to 244p, with Lonrho 3 better at 108p.

Plessey moved against the trend in Electrical leaders, improving 4 to 210p with sentiment helped by news of the strong fourth-quarter profits recovery reported by its U.S. associate, Scientific-Atlanta. BICC gave up 7 to 225p, while GEC, 213p, and Thorn EMI, 610p, cheapened 3 apiece. Philips Lamps declined ⅛ more to £10⅜ on further consideration of the disappointing second-quarter profits. Elsewhere, Wholesale Fittings fell 18 to 280p on the uninspiring results and Arlen lost 12 to 170p following further liquidation of speculative positions.



Late announcement of the preliminary statement revealing increased losses and a gloomy view of prospects shattered Mining Supplies, which plunged 17 to 35p. Elsewhere in Engineerings, Parkfield Foundry, at 45p, succumbed to profit-taking and lost 10 of the recent U.S.-inspired rise. Babcock cheapened 4 to 178p, but Tecalemit, in which Britannic Assurance holds a near-11 per cent stake, rose 6½ to 33p on revived speculative buying. Thomas Robinson were notable for an improvement of 4 to 32p, while Lake and Elliot, at 29p, retrieved Thursday's fall of 4 which followed news of the closure of the Fife steel foundry. Gains of 6 and 8 respectively were seen in Spear and Jackson, 102p, and Ransomes Sims and Jefferies, 273p.

Leading Foods finished the first-leg of the extended Account with small irregular movements. J. Sainsbury improved 3 to 410p and Tesco hardened a penny to 149p, but Associated Dairies, preliminary results due at the end of the month, softened a couple of pence to 168p. Bejam came with a late run and closed 5 higher at 139p, while Bishops A moved up 15 to 200p. Elsewhere United Biscuits met with occasional selling and lost 3 to 152p. Avana shed 9 to 450p on lack of support.

Boots below best

Boots attracted buyers and closed 9 up at 173p, after 175p, on news that the U.S. authorities had given the go ahead for the group's pain-killing drug, Ibuprofen, to be sold over the counter in America. Other miscellaneous industrial leaders drifted gently lower on sporadic profit-taking. Glaxo closed 13 lower at 860p, after 857p, while Unilever, which reported good second quarter profits on Tuesday eased 5 to 775p. Secondary issues were featured by a fall of 6 to 24p, after 22p, in Rockware following details of the proposed £9.6m rights issue, £8.5m first-half deficit and omission of the dividend. Reports of the increased losses incurred by one of the company's U.S. suppliers depressed Applied Computer which fell 23p to 462p but Steetley moved up 5 more to 229p, still on hopes that clearance will be given to the proposed merger with Hepworth Ceramic. Hawkins and Tipson ended 2 dearer at 40p following the Board's rejection of Evered's bid terms and Booker McConnell reflected takeover hopes with a rise of 2 to 97p. Renewed speculative support lifted Keep Investment 1½ to 13½p and Pauls and Whites 6 to 248p. Broken Hill Proprietary added 8 more making a gain on the week of 44 at 654p following the audacious bid from Mr Roberts Holmes a Court's concern, Wigmores.

Leisuretime International rose 4 to 71p, the Board's confident statement compensating for the interim loss. Among Television issues, Scottish TV A found support and put on 4 to a 1983 peak of 108p.

BL attracted further support and firmed 5 to 65p for a gain on the week of 18 on hopes that existing holders may receive preferential treatment in the event of any privatisation of certain BL divisions. Elsewhere in Motors, Lucas, buoyant earlier in the week following publicity given to the new Nitrotec metal coating process, reacted on profit-taking to end 5 down at 168p. Among Distributors, Lex Service dipped to 338p on reports of problems with the Volvo automatic gearbox, but responded late to close unchanged on balance at 347p.

Leading Properties barely stirred, but selected secondary issues made progress. Westminster Property continued to benefit from the good interim results and gained 3 to 20p, while revived demand in a limited market lifted Evans of Leeds 5 to 61p. Buyers showed interest in Markheath, which hardened 3 to 130p, and Stewart Nairn, a couple of pence dearer at 44p. In contrast, Trust Securities came under further pressure despite the chairman's re-assuring statement about the Stockley Park development and shed 4 to 34p. Five Oaks, firmer earlier in the week on speculative buying, came back 3 to 26p.

Textiles continued to attract a measure of speculative activity. Lister were briskly traded and advanced 5 to 37p, after 38p, while Textured Jersey firmed a similar amount to 68p. In contrast, Ellenroad Ring Mill ran into profit-taking and dipped 19 to 33p, but remained 11 up on the week. An adverse Press on Thursday's disappointing half-timer prompted renewed dullness in Corah, which shed 3 for a two-day loss of 12½ to 60p.

Irish oils volatile

Irish oil exploration issues remained volatile. Atlantic Resources reacted to 440p before picking up to close 10 higher on balance at 465p, but Eglington, a few pence firmer at one stage, finished a net 25 down at 240p. Aran Energy encountered further profit-taking and shed 3 more, a fall of 15 on the week to 56p. The agreement with Santa Fe Minerals for the financing of future exploration for its 50 per cent interest in North Sea block 16/88 helped Saxon recover from early weakness to close just 3 cheaper on balance at 235p, after 225p. Carless Capel shed 10 to 225p despite the favourable onshore drilling report and Candecca gave up 7 to 168p. Among the leaders, BP lost 6 to 442p, but Shell held at 634p. Ultramar gave up 7 to 693p, while Britoil shed 4 to 250p.

Cons. Gold surge

The recent surge in prices of the UK Financials sector of mining markets looked to have run its course in initial dealings as bullion opened on an easier note and base-metal prices came under pressure.

However, towards the close of business heavy buying of Gold Fields became apparent and the shares staged a sharp advance to close 25 firmer at a 1983 high of 635p, amid strong rumours of imminent developments connected with GFSA and talk of an acute stock shortage; Gold Fields full-year results are scheduled for September 13.

The flurry in Gold fields encouraged sympathetic buying of RTZ and to a lesser extent Charter Consolidated. RTZ, which attracted substantial and persistent buying interest earlier in the week, rallied from an initially depressed 549p to close 6 lower on balance at 657p, while Charter were finally quoted at 273p, a net loss of a penny, compared with an opening level of around 270p. Hampton Areas recovered from 230p to close unaltered at 232p.

South African issues lost ground for the third successive trading day reflecting the renewed weakness in the bullion price, which showed a $4.5 decline at $417.875 an ounce.

Golds drifted for much of the session and depressed the Gold Mines index by 6.8 to 660.0 more than 10 points up on the week.

Features in the heavyweights were few and far between but Randfontein moved against the general trend and managed a ½ gain at £97½.

On the downside losses ranged to almost a full point in Southvaal, £42 while falls of around a half-point were common to Durban Deep, £24½, Vaal Reefs, £85, Free State Geduld, £31⅞ and President Brand, £32½.

In South African Financials De Beers dipped 12 to 683p ahead of the half-year results expected next Tuesday. Transvaal Consolidated Land, a firm market earlier in the week, added a half-point at £32½.

Profit-taking pared prices of Platinums which also made good progress at the beginning of the five-day period. Impala dipped 10 to 910p and Rustenburg 5 to 770p.

Australians showed a majority of rises but the recent enthusiasm for the leaders was on a much smaller scale, apparently reflecting nervousness ahead of next Tuesday's federal budget.

Second-line golds continued to attract good support, however, especially Whim Creek, 2 up at a 1983 high of 158p, Samantha, 5 better at a high of 67p and Samson which put on 3 to 47p.

Elsewhere Malaysia's Sungei Besi advanced a further 20 to a year's best of 250p still reflecting the better-than-expected results announced on Tuesday.

Demand for Traded Options remained disappointingly low and only 1,626 contracts were done, bringing the week's daily average to 2,089. Calls totalled 1,163, and once again Lonrho were to the fore with 454 deals struck, 188 in the November 100's which added 3 more to 15p. ICI attracted 148 calls, 101 in the October 460's. Other premiums remained relatively static throughout the session, although some improvement was noted during the late afternoon, especially in Cons. Gold Fields positions which reflecting the strength of the underlying share price made useful gains, notably in the October 600's which rose 12 to 52p.

FINANCIAL TIMES STOCK INDICES

	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 12	year ago
Government Secs.	79.51	79.65	79.78	79.73	79.89	79.10	78.13
Fixed Interest	82.43	82.52	82.46	82.28	82.22	81.99	77.53
Industrial Ord.	735.7	739.9	736.0	739.8	732.8	722.1	580.6
Gold Mines	660.0	666.8	667.7	668.5	649.2	642.1	308.8
Ord. Div. Yield	4.57	4.54	4.56	4.56	4.66	4.69	6.13
Earnings, Yld.% (full)	9.25	9.19	9.20	9.21	9.12	9.33	11.39
P/E Ratio (net) (*)	13.46	13.55	13.61	13.49	13.53	13.33	10.53
Total bargains	21,700	21,292	22,839	23,456	26,006	20,026	25,652
Equity turnover £m.	—	239.92	194.19	238.65	240.97	246.03	179.04
Equity bargains	—	19,475	19,869	22,209	22,586	21,528	16,924
Shares traded (ml)	—	139.9	124.5	155.3	153.1	162.7	114.9

10 am 737.0. 11 am 737.0. Noon 736.2. 1 pm 735.8. 2 pm 735.5. 3 pm 735.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.71.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.50 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (15/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	738.2 (18/8)	598.4 (12/1)	738.9 (18/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (28/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 18	Aug. 17
—Daily Gilt Edged Bargains	142.7	140.1
Equities Bargains	125.2	128.7
Value	482.2	392.5
5-day Avrge Gilt-Edged Bargains	148.5	144.6
Equities Bargains	136.2	136.7
Value	468.3	466.3

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, August 18, 1983

Motors	+55.29	Metals and Metal Forming	+25.54
Newspapers, Publishing	+54.03	Health and H'sehold Products	+23.91
Other Industrial Materials	+52.64	All-Share Index	+21.85
Oils	+52.03	Gold Mines Index	+12.82
Office Equipment	+46.20	500-Share Index	+19.79
Chemicals	+42.87	Insurance Brokers	+14.69
Packaging and Paper	+39.91	Industrial Group	+14.43
Insurance (Life)	+39.54	Engineering Contractors	+12.19
Shipping and Transport	+38.89	Capital Goods	+12.10
Mining Finance	+37.37	Property	+11.18
Other Groups	+37.19	Consumer Group	+10.48
Insurance (Composite)	+36.48	Building Materials	+ 9.63
Merchant Banks	+32.43	Food Retailing	+ 9.35
Overseas Traders	+28.89	Mechanical Engineering	+ 7.60
Banks	+28.32	Electricals	+ 6.19
Textiles	+27.96	Food Manufacturing	+ 5.86
Financial Group	+27.50	Stores	+ 5.21
Investment Trusts	+26.74	Brewers and Distillers	+ 3.42
Leisure	+25.99	Contracting, Construction	+ 2.05
Other Consumer	+25.57	Discount Houses	− 0.37
		Tobaccos	− 9.85

OPTIONS

For rate indications see end of Share Information Service

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug 22	Sept 9	Nov 24	Dec 5
Sept 26	Oct 7	Dec 22	Jan 3
Sept 12	Sept 23	Dec 8	Dec 19

Stocks favoured for the call included C. H. Bailey, Lister, Mersey Docks, Rockware, Sound Diffusion, Edonspring, Premier Oil, Berkeley Exploration and Belhaven. A put was arranged in BP, and a double was done in Lonrho.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	5	73	23	186	203	116
Corpns. Dom. and Foreign Bonds	3	14	80	74	21	290
Industrials	222	294	833	1,598	1,023	4,123
Financial and Props.	84	93	336	723	304	1,548
Oils	19	32	60	163	111	281
Plantations	7	3	11	32	11	62
Mines	30	62	65	290	179	316
Others	28	84	82	257	329	390
Totals	398	655	1,472	3,324	2,181	7,126

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (80)

AMERICANS (2)
Damson Oil — Gulf Oil

BANKS (2)
Kleinwort Benson — Schroders

BEERS (1)
Clark (M.)

BUILDINGS (2)
Beechwood — Trent Hldgs.

STORES (2)
Geller (A. J.) — House of Fraser

ELECTRICALS (4)
Fujitsu — Thorn EMI 7pc Cnv. Pf. 1992-99
Micro Focus
N.E.C. Corp.

ENGINEERING (2)
Ransomes Sims — Tecalemit

FOODS (4)
Bishops Group — Low (Wm.)
Do. A N-V — Paterson Jenks

HOTELS (1)
Mount Charlotte

INDUSTRIALS (12)
BBA Group — Powell Duffryn
Baynes (Charles) — Restmor
Biddle Hldgs. — Rotaprint
Bridon — Do. 11½pc Cnv. Red. Pf.
B.H. Prop. — Steetley
Hawkins & Tipson
Lep Group

INSURANCE (3)
Equity & Law — Sun Life
Lond. & Manchester

LEISURE (1)
Scottish TV A

MOTORS (3)
Kwik-Fit — Jessups
BSG Intl.

NEWSPAPERS (3)
Bristol Post — Link House
Independent

PAPER (1)
Bemrose

SHOES (1)
Newbold & Burton

TRUSTS (19)
Brit. Ind. Gen. Dfd. — New Tokyo Inv.
Camellia Invs. — Oil & Assoc. Inv.
Ch. Islands Cap. — RIT & Northern
Crescent Japan — St. Andrew Trust
Fleming Far East — TR Pacific Basin
Fleming Tech. — Tripleverest Cap.
G.T. Japan — Duncan (W.) G'dricke
Jove Inv. Inc. — M. & G. Group
Murray Nrthrn. B — Yelverton Inv.
New Darien Oil

OILS (5)
Eridge Oil — Hunting Pet.
Gepoa Oil — Do. 10pc Cnv. Ln. 1997
TR Energy

OVERSEAS TRADERS (2)
Harrisons Crosfield — Lonrho

PLANTATIONS (4)
Cons. Plants. — Highlands Lowlands
Harrisons Malay. Plants. — Kuala Kepong

MINES (6)
Bond Corp. — Samson Explrtn.
Cons. Gold Fields — Whim Creek
Samantha Explrtn. — Sungei Besi

NEW LOWS (16)

BRITISH FUNDS (3)
Exchqr. 10¼pc Cnv. 1986 — Exchqr. 12½pc 1990
Exchqr. 13¾pc 1992

BUILDINGS (2)
French Kier — Lawrence (W.)

STORES (1)
Dixons Group

ENGINEERING (2)
Camseal — Mining Supplies

INDUSTRIALS (6)
Brit. Aerospace — Talbex
Datastream — Trans. Cont. Serv.
Pentlow — Wts.
Rockware

TEXTILES (1)
Lowe (Robt. H.)

TRUSTS (1)
Marsun Cap. Corp.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aran Energy	56	− 3	London Brick	86	+ 4
Atlantic Res.	465	+10	Rockware	24	− 6
Boots	173	+ 9	Sungei Besi	250	+20
Cons. Gold Fields	635	+25	TI	160	− 4
Eglinton Oil	240	−25	Tarmac	412	− 4
Lister	37	+ 5	Tecalemit	33	+ 6½

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Bellair Cos.	15	620	−40	Oceonics	13	388	+63
Midland Bk Nw	15	88pm	− 5	Royal Ins.	12	562	− 4
RTZ	15	663	− 9	Glaxo	11	873	− 5
ICI	14	544xd	+ 2	Parkfield Found	11	55	+15
Corah	13	63	− 9½	BP	10	448	+ 4
Fleet Hldgs.	13	119	− 3	Capper-Neill	10	15	+ 2
Int Sig Cont A	13	158	—	Marks, Spencer	10	215	+ 1

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Ingram (H.)	128	300†	+220	Royal Ins.	74	562	+ 57
BL	103	60	+ 25	Lon. & Liv Tst.	73	80	+ 14
Glaxo	91	873	− 37	BET Dfd.	72	255xd	− 16
TACE	82	168	+ 53	BP	72	448	+ 4
ICI	79	544xd	− 4	Unilever	71	780	+ 47
GEC	78	216	+ 6	RTZ	70	663	+ 41
BTR	75	563	+ 16	BAT Inds.	69	140	+ 7

† Price at suspension.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Aug 19 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Aug 18 Index No.	Wed Aug 17 Index No.	Tue Aug 16 Index No.	Mon Aug 15 Index No.	Year ago (approx.) Index No.	1983 High	1983 Low	Since Compilation High	Since Compilation Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (15)	249.62	−0.8	10.61	5.43	11.43	251.66	251.02	253.22	252.39	167.36	263.61 (25/3)	183.23 (4/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (110)	453.58	−0.1	—	3.91	—	454.05	450.37	450.93	449.66	303.83	493.98 (5/8)	358.26 (1/1)	493.98 (5/8/83)	71.63 (13/12/74)
81	Mining Finance (4)	327.82	+0.8	5.72	4.46	22.46	325.23	324.92	317.69	317.35	226.47	327.82 (19/8)	236.76 (1/1)	327.82 (19/8/83)	66.31 (30/9/74)
91	Overseas Traders (15)	505.99	+0.8	7.32	7.39	21.52	502.13	496.45	490.33	487.25	367.39	505.99 (19/8)	387.81 (4/1)	505.99 (19/8/83)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	463.82	−0.4	—	4.56	—	465.74	464.37	463.74	461.95	345.94	465.74 (18/8)	382.22 (1/1)	465.74 (18/8/83)	61.92 (13/12/74)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	[illegible]	[illegible]

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Short Brothers 'may still win' U.S. contract

THE U.S. delegation attempting to stop Short Brothers, the Belfast aircraft manufacturers, winning a £20m contract does not represent U.S. government policy, Mr Sam Bartlett, the U.S. consul to Northern Ireland, said yesterday.

The Irish National Caucus, which is aiming to stop the deal with the United States Air Force because of Short's alleged discrimination against Catholics, was just one of many pressure groups in Washington, he said.

Mr Bartlett, who is based in Belfast, said Short's were still in the running for the contract for 18 freighter aircraft which could bring 800 jobs to the province. But a decision would not be taken before December because [illegible] still

Freight forwarders offer YTS places

THE LIVERPOOL branch of the Institute of Freight Forwarders is promoting a youth training scheme funded by the Manpower Services Commission to give 16 youngsters an insight into the industry.

Entrants will be attached to a forwarding company on Merseyside for a year and will also attend a Business Education Council course at the Millbank College of Commerce, Liverpool.

Mr John Behrend, Liverpool branch chairman, said recruitment of juniors by Liverpool forwarding agents was at a low ebb. He said: "However, by agreeing to take on these trainees companies are showing faith in the future and recognising the importance of train-

هكتذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS.

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Gth Pens & Annuities Ltd

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

OFFSHORE AND OVERSEAS

NOTES

[illegible]

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

LEISURE

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

MINES—Continued

Central African

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh 50c	220	.....	Q79c	4.2	24.9
23	16	Wankie Col Z$1	23	.....	Q5c	0.7	12.8
28	18	Zam.Cpr SBD0.24	19	.....	—	—	—

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	18	+½	—	—	—
40	32	Allstate Expln NL	40	.....	—	—	—
25	11	Balmoral Resources	18	+3½	—	—	—
60	37	♥Black Hill Mins.	49	+1	—	—	—
61	51	♥Bond Corp.	61	+2	gQ10c	2.3	10.0
183	116	♥Bougainville 1 Kina	176	.....	mQ3.42c	1.2	1.2
360	204	♥CRA 50c	343	.....	tQ3c	—	0.5
145	60	♥Carr Boyd 20c	89	+1	—	—	—
43	18	♥Central Pacific	34	.....	—	—	—
210	183	♥Crusader Oil	210	+5	—	—	—
15	8	♥Cultus Pac NL	11½	+½	—	—	—
19	7	♥Eagle Corp 10c	19	+½	—	—	—
14	8	♥Endeavour 20c	11¼	.....	—	—	—
010	500	♥GM Kalgoorlie 25c	640	−20	hQ10c	♦	0.9
24	6	Grt Eastern Mines	19½	+½	—	—	—
•240	170	Hampton Areas 10p	232	.....	3.73	2.1	2.3
32	15½	♥Haoma NW	27½	.....	—	—	—
92	30	♥Hill Minerals N.L.	50	−2	—	—	—
41	13	♥Initial Mining	27	.....	—	—	—
42	21	♥Kalbara Min 20c	23	.....	—	—	—
18	9	♥Keywest Expl.	17	.....	—	—	—
130	54	♥Kitchener NL 25c	100	+10	—	—	—
180	78	♥Meekatharra 25c	82	+2	—	—	—
48	24	♥Metals Ex 50c	45	.....	—	—	—
52	23	♥Metramar Mns 20c	36	.....	—	—	—
279	217	♥MIM Hldgs 50c	257	.....	Q5c	—	1.1
12½	5	♥Mincorp 20c	11½	.....	—	—	—
8	3	♥Nuefields Expl 25c	4½	.....	—	—	—
46	23	♥Newmetal 20c	44	.....	—	—	—
•190	128	♥North B Hill 50c	186	.....	gQ6c	1.3	1.9
68½	38	Nth Kalgurli	66½	.....	—	—	—
86	58	♥Oakbridge 50c	83	.....	Q7c	1.7	4.9
35	23	Otter Expln NL	41½	−½	—	—	—
78	46	♥Pacific Copper	65	.....	♦	—	—
150	64	♥Pancont'l 25c	92	+2	—	—	—
9½	4	Pan Pacific Pets NL	7	+½	—	—	—
66	35	Parenga Nog & Expln 5c	62	+2	—	—	—
476	324	♥Peko-Wallsend 50c	440	.....	Q5c	♦	0.7
11	6	♥Pelsart Res NL	6	.....	—	—	—
298	172	♥Renison 50c	290	.....	‡Q5c	—	‡
270	135	♥Do Defd	260	.....	—	—	—
67	20	Samantha Explor NL	67	+5	—	—	—
47	32	Samson Explor NL	47	+3	—	—	—
74	32	♥Seltrust 50c	72	+2	—	—	—
42	24	♥Sons of Gwalia N.L.	42	.....	—	—	—
19	7	♥Southern Pacific	15½	+½	—	—	—
14	6	♥Southern Ventures 25c	8½	+½	♦	—	—
50	17	♥Swan Res 20c	22	.....	—	—	—
52	39	♥United Goldfields	52	.....	—	—	—
24	3	♥West Coast 25c	14	.....	—	—	—
38	14	♥Western Cont. 50c	18	.....	—	—	—
305	198	Westn. Mining 50c	285	.....	‡Q2½c	♦	‡
158	33	♥Whim Creek 20c	158	−2	—	—	—
23	8	♥York Resources	20	−1	—	—	—

Tins

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
245	175	Ayer Hitam $M1	210	.....	‡Q95c	1.0	‡
150	83	Geevor	127	.....	—	—	—
18	10½	Gold & Base 12½p	12	.....	—	—	—
455	290	Gopeng Cons.	385	.....	20.0	1.4	7.4
600	525	Hongkong	575	.....	21.0	♦	3.2
21	13	Jantar 12½p	15	.....	1.5	0.2	14.3
270	100	Kamunting $M0.50	233	.....	hQ27½c	0.8	3.3
96	56	Malaysia Mng. 10c	79	.....	vQ11c	0.9	4.3
57	28	♥Pahang	55	.....	—	—	—
500	325	Pengkalen 10p	500	.....	1.0	—	0.3
330	225	Petaling $M1	320	.....	vQ60c	1.3	5.3
250	185	Sungei Besi $M1	250	+20	‡vQ185c	0.6	‡
55	40	♥Supreme Corp M$1	53	.....	vbQ3¼c	♦	2.0
110	93	Tanjong 15p	103	.....	g3.5	—	4.8
145	60	♥Tongkah H. Tin $M1	135	.....	vQ5c	1.3	1.1
300	190	Tronoh $M1	253	.....	vQ90c	1.1	10.0

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	90	Admiral Mines	93	−3	—	—	—
90	34	♥Anglo-Dominion	77	−3	—	—	—
93	54	♥Anglo Utd. Dev.	66	−1	—	—	—
135	60	♥Colby Res Corp.	125	+10	—	—	—
505	315	Cons. Murch. 10c.	495	.....	‡Q60c	1.9	‡
5½	3	‡‡Explaura Gold	3	.....	—	—	—
185	103	♥Highwood Res.	180	+5	—	—	—
£24¾	£18	Homestake Mining $1	£24	+⅛	hQ20c	—	0.6
493	330	Northgate C$1	350	.....	—	—	—
670	437	R.T.Z.	657	−6	t17.0	1.9	3.7
£147	£108	Do 9½%Cn.Uns.Ln.'95-2000	£145	−2	Q9½%	21.4	†6.6
190	13	♥Sabina Inds C$1	145	+5	—	—	—
88	50	♦Southwest Res 10p	82	−1	—	1.9	—
615	312	♥Tara Expln $1	565	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	64	+2
Bdg'wtr. Est. 50p	270	.....
Craig & Rose £1	£11½	.....
Finlay Pkg. 5p	37	.....
Graig Ship. £1	22	.....
Higsons Brew	85	.....
Holt (Jos) 25p	910	.....
I.O.M. Stm. £1	122	.....
Pearce (C. H.)	500	.....

IRISH

Nat. 9¾% 84/89	£86½	.....
Fin. 13% 97/02	£101	.....
Alliance Gas	90	.....
Arnott	210	+5
Carroll (P.J.)	110	.....
Concrete Prods.	72	.....
Heiton (Hldgs.)	16	.....
Irish Ropes	32	.....
Jacob	82	.....
T.M.G.	60	.....
Unidare	72xd	.....

OPTIONS

3-month Call Rates

Industrials

Allied-Lyons	15
BOC Grp.	20
B.S.R.	12
Babcock	16
Barclays Bank	35
Beecham	35
Blue Circle	44
Boots	22
Bowaters	19
Brit. Aerospace	20
B.A.T.	65
Brown (J.)	3
Burton Ord.	35
Cadburys	11
Courtaulds	8½
Debenhams	12
Distillers	22
Dunlop	6
Eagle Star	35
F.N.F.C.	4½
Gen. Accident	46
Gen. Electric	22
Glaxo	90
Grand Met.	32
G.U.S. 'A'	55
Guardian	42
G.K.N.	16
Hawker Sidd	34
House of Fraser	17
I.C.I.	35
"Imps"	11
I.C.L.	8½
Ladbroke	29
Legal & Gen.	38
Lex Service	30
Lloyds Bank	45
"Lofs"	3½
London Brick	8
Lucas Inds.	15
"Mams"	12
Mrks. & Spncr	20
Midland Bank	35
N.E.I.	10
Nat. West. Bank	50
P & O Dfd.	14
Plessey	50
Racal Elect.	45
R.H.M.	6
Rank Org. Ord.	17
Reed Intnl.	28
Sears	9
T.I.	16
Tesco	14
Thorn EMI	50
Trusthouse	20
Turner & Newall	4½
Unilever	80
Utd. Drapery	14
Vickers	12
Woolworth Hld.	27

Property

Brit. Land	8½
Cap. Counties	15
Land Sec.	30
MEPC	22
Peachey	16
Samuel Props.	10
Town & City	3

Oils

Brit. Petroleum	32
Burmah Oil	18
Charterhall	5
KCA	8
Premier	4
Shell	45
Tricentrol	19
Ultramar	48

Mines

Charter Cons.	28
Cons. Gold	50
Lonrho	8½
Rio T. Zinc	55

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

ELS AND CATERERS

INDUSTRIALS (Misc.)

INSURANCES

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

FINANCIAL TIMES

Saturday August 20 1983

MAN IN THE NEWS

A rare Aussie bird

BY MICHAEL THOMPSON-NOEL

IT IS said that the old convict strain shows through in Australian boardrooms even today — the genes triumphant in the form of ruddy-faced, jut-jawed worshippers of profit whose staple management aids are a can of Tooheys and a tome on geology.

Against such a background (it is said) Mr Robert Holmes à Court, 46, stands out like a very rare bird: sleek and courteous, complex and subtle, a man reckoned to possess a highly architectural view of business, in that he designs structure, and if the plan doesn't work, backs away from the drawing board.

Despite his languid exterior, Australians now recognise that Mr Holmes à Court runs one of the biggest games in town, though even they were ill-prepared for this week's audacity, when he unveiled a bid for Broken Hill Proprietary (BHP), Australia's biggest company.

Robert Holmes à Court

Bell Group, Mr Holmes à Court's master vehicle, is Australia's 62nd biggest company, with a market capitalisation of about A$175m (£102m), against one of almost A$4bn for BHP, which is known as the Big Australian.

Yet the offer was not launched in the name of Bell Group, but via a hitherto obscure subsidiary, Wigmores (market capitalisation A$39m), whose only known claim to fame is that it is the Caterpillar franchise holder in Western Australia, and of which Bell Group had gained control only three days previously.

The notion of tiny Wigmores swallowing a multi-resource giant like BHP at first seemed quaint, and then merely frivolous — for the Big Australian is stern of faith, and is itself in the throes of a U.S.$2.4bn purchase, that of Utah International, from General Electric.

But Mr Holmes à Court was fully serious, offering this gleam of illumination from his office in Perth: "We are primarily buying BHP shares. We may not be buying BHP."

Theories about his motives ranged far and wide, though they clustered around a nucleus that went like this: Mr Holmes à Court was aiming at a quantum leap in size by offering to swap Wigmores' shares for BHP's, which could then be used as collateral, the attraction of the barter to BHP holders being the promise of extra dividend and the hope that Mr Holmes à Court would use the funds more efficiently than BHP.

No one is underestimating his chances of clearing a tidy profit, for in less than 10 years, this lawyer-turned-tycoon has bought and sold to such effect that Bell Group has been transformed from a small-time Perth trucking business into a media, entertainment, transport and resources group with total tangible assets of about A$450m.

Mr Holmes à Court still likes transport, seeing the "truckie as the lineal descendant of the drover." But he is now tackling much bigger things, notably ACC (Associated Communications Corporation) of the UK, formerly run by Lord Grade, which Mr Holmes à Court acquired via his media subsidiary, TVW Enterprises and which he says "is not and never has been a break-up situation," and is once more making respectable profits.

He has an outstanding collection of aboriginal and later Australian art, breeds race horses, enjoys his lifestyle, and yet has said that he is not obsessed with making more and more money.

Somehow, that may not prove of solace to the Big Australian.

Shop steward numbers fall

BY DAVID GOODHART, LABOUR STAFF

THE NUMBER of shop stewards and full-time convenors in manufacturing industry has fallen dramatically in the last three years, according to employers and union officials.

In many plants, the reduction in the number of stewards and the phasing out of full-time union representatives is roughly proportionate to the decline in the work-force. However, employers in some sectors have even been making inroads into the traditional ratio of stewards to workers, which has been about 1:30 in engineering and 1:50 in industry as a whole. Attempts by employers to send full-time stewards back to work has also become a cause of disputes in some plants.

One academic source estimates that in the last two years, the number of full-time stewards in manufacturing has dropped from 4,000 to about 2,000. At the BL Longbridge plant, where the work-force has fallen from 15,500 to 10,000 in three years, the total number of stewards has declined from 600 to about 350 and the number of full-timers from eight to two.

The "moles" row at BL Cowley has illustrated the difficulty that unions, particularly in the motor industry, face in recruiting stewards. Mr Bobby Fryer, senior steward at Cowley, said there were only 60 stewards in the assembly plant when there should be 120.

Mr John Allen, Birmingham East district secretary of the Amalgamated Union of Engineering Workers (AUEW), said employers were clearly on the offensive. They wanted to reduce the number of stewards "out of all proportion." Very few people were now volunteering for the role.

Mr John Bowers, AUEW regional officer for the Liverpool area, said: "People are so frightened in some plants that complaints are now going secretly to full-time officials, rather than to stewards." The number of engineering stewards in the Liverpool area has fallen from 700 to about 450 in the three-year period, but this is roughly proportionate to the shrinkage of the work-force.

Other reasons given for the sharpness of the decline include the trend towards smaller plants; the concentration of full-time stewards in such traditional industries as shipbuilding, heavy engineering and the motor industry, which have been hard hit by the recession; and the fact that complaints from workers, and thus work for stewards always diminish in a harsher economic climate.

The Engineering Employers' Federation (EEF) agrees that the fall in the number of stewards has been "dramatic," but denies any attempt to break up plant-level union organisation.

Mr Morris Burdon, director of the South Lancashire, Cheshire and North Wales EEF, said more disputes in the bigger plants now involved arguments over time off for stewards. "A lot of companies are now asking themselves whether they can afford, of any longer need, full-time convenors," he said.

A stumbling block in the way of a resolution of the 22-week strike at the N. Greening engineering company at Warrington is the company's demand for an end to the practice of employing a full-time convenor.

In some cases, unions are modifying management pressure for cuts. At the Cummins Diesel plant at Darlington, for example, where the work-force has been reduced from 1,900 to 550, the number of stewards has fallen from 27 to 12, with the AUEW having resisted pressure to drop it to nine.

Full-time stewards, who were often paid by other plant workers in the 1930s, are all paid a normal wage by the employer nowadays. Their number had been rising rapidly—indeed, it is estimated that there was a quadrupling during the 15 years after the early 1960s, with the spread of plant bargaining. During the same period, the number of full-time officials employed by unions remained constant, at about 4,000.

Professor William Brown of Warwick University's Industrial Relations Research Unit, estimates that the total number of manual shop stewards in manufacturing industry in 1978 was 130,000, compared with about 80,000 today. In the same period, employment in manufacturing fell from 7.5m to 5m.

Union roles, Page 3

Kuwait increases North Sea oil stake

By Richard Johns

SAXON OIL, the UK independent oil company, has sold to Kuwaiti-owned Santa Fe Minerals (UK) Inc half share in its North Sea licence area where a promising oil strike was confirmed in May.

The strike was made in Block 16/8b by Conoco, the operator for what was a 50:50 joint venture before the agreement with Santa Fe.

The terms of the deal are regarded in the City as exceptionally favourable to Saxon. Santa Fe is to make an estimated $4.4m available to cover Saxon's past share of development costs and part of its overheads. The deal reflects Kuwait's determination to increase its stake in the North Sea.

Saxon's share price on the Stock Exchange closed at 233p, down 5p on the day's trading. Since the start of last week it had risen from 185p, largely on speculation about a new takeover bid for the company.

It was the prospect of a successful strike that led the Saxon board, having accepted a takeover bid from Clyde Petroleum, to reject it in April.

The North Sea discovery enabled Saxon to survive as an independent oil company but the company acknowledged it would have to sell part of its share in the licence to finance exploration and prospective development costs.

This month Conoco began another well to appraise the structure but this has yet to be declared commercial. A further drilling programme is planned for next year.

Santa Fe is a wholly-owned subsidiary of Santa Fe International Corporation, which was acquired by the state-owned Kuwait Petroleum Corporation in 1981.

Under the deal Santa Fe will bear all future costs attributable to Saxon's retained 25 per cent interest, subject to certain safeguards on a development decision. It will recover the costs from 82.5 per cent of Saxon's production from the licence.

Union opposition to Nissan UK plan 'will not affect decision'

BY JUREK MARTIN IN TOKYO

THE PRESIDENT of Nissan Motors, Japan's second largest car maker, insisted yesterday that any decision on building the long-delayed car plant in Britain would not be influenced by the opposition to the project voiced on Thursday by the head of the company's union.

Mr Takashi Ishihara regretted the union's position, which he said he failed to understand. Regardless of it, the company's management would make up its mind "not in August or September" but definitely by the end of the year.

"Partial revision" was possible but the basic outline of the project under management consideration remained unchanged in spite of the delays.

As unveiled in January 1981, this envisaged Nissan spending £200m to produce by 1986 200,000 frontwheel drive cars annually in the UK with a workforce of 4,500-5,000. Persistent recent reports in both Britain and Japan have suggested that Nissan is now looking at a much more modest investment.

The company in Tokyo said that Nissan and the Department of Industry and Trade in London remained "in constant touch," mainly through letters and telex. Neither the company nor British sources would disclose the substance of the exchanges.

The Nissan unions outright opposition to the British investment, even in modified form, is seen in Tokyo as the latest stage in an escalating internal conflict between two strong men—Mr Ishihara and Mr Ichiro Shioji, the union leader.

Japanese unions normally carry little of the clout of their Western counterparts but Mr Shioji commands much personal respect. Under previous Nissan managements he had come to expect more consultation in company affairs than he has under Mr Ishihara, who became president in 1981.

Mr Shioji's reservations about investing in Britain are well-known. They are based largely on his conviction that if Nissan wanted to build cars overseas it should do so first in the U.S. He clearly concluded that Mr Ishihara was paying insufficient attention to the union.

There is speculation that Mr Shioji might also have concluded that Nissan had decided to go ahead in Britain and that he could, therefore, no longer maintain a posture of relatively discreet opposition.

As he repeated, Mr Ishihara believes in strong management making the final decisions. He conceded the need for consultation with labour as part of the process of forming a company consensus but left no doubt where he thought ultimate responsibility lay.

For Mr Ishihara the critical element in any consensus behind the British project is the support of Mr Katsuji Kawamata, who preceded him as president (the chief executive officer in Japanese companies) and who is now chairman. Mr Kawamata has not given his verdict, which might depend on the terms and incentives Nissan were able to extract from the British Government and unions.

● John Griffiths adds: There is a strong incentive for Nissan to set up such a plant, offering as it would a way round proliferating national trade barriers against Japanese cars in Western Europe's market of 10m cars a year.

The union aside, Nissan's board has been divided on the project. Opponents have expressed concern about whether Nissan might be overstretching itself, given its commitment to other manufacturing projects outside Japan.

UK car sales, Page 13
Volvo defends safety, Page 3

Continued from Page 1

Dollar recovery

the coming weeks, might be more inclined to tighten the Fed's monetary and interest rate stance. In addition, Dr Henry Kaufman, the Wall Street economist, repeated his warnings that U.S. interest rates were set to move upwards.

However, the day's trading was dominated by traders' efforts to avoid committing themselves to the dollar's rise or fall. "It is the toss of a coin which way the dollar goes from here," said a London currency dealer. "If the money supply figure is low, the dollar will probably slip, but otherwise it could take off again on Monday."

If it does, speculators will be weighing the possibility of fresh central bank intervention to brake its progress. Herr Karl Otto Poehl, president of the West German central bank, the Bundesbank, yesterday disclosed that the combined central bank intervention against the dollar in recent weeks had cost more than $5bn (£1.39bn), of which the Bundesbank's share was about $1bn.

Herr Poehl suggested that the intervention was an influence on the dollar's fall, although it was not responsible for it. He described the Fed's participation in the concerted action as a sign of the U.S. authorities' increased willingness to co-operate on an international basis over currency

Turkish poll crackdown

BY OUR ANKARA CORRESPONDENT

TURKEY'S MILITARY rulers last night cast doubt over the country's return to democracy when they prevented candidates supported by the two main political parties before the 1980 coup from qualifying for November's elections.

The Social Democrat Party, Sodep, learned that its final list of eight would-be founder members had been vetoed. Parties have to have a minimum of 30 founder members approved by the military and Sodep is still two short.

The party will submit fresh names on Monday but the process takes up to 20 days and the time limit for registering parties for the general elections expires on Thursday.

Among those vetoed was an 85-year-old former aide to Kemal Ataturk, founder of modern Turkey and the generals' mentor. This underlined the generals' determination not to allow Sodep to challenge the loyalist parties encouraged to compete in November.

Sodep had won considerable support from the Republican People's Party, the main opposition party before the coup, though had been privately criticised by Mr Bulent Ecevit, the RPP's last prime minister.

There was less surprise in Ankara at the news that another party has also been eliminated. The Correct Way Party, regarded as a haven for the supporters of Mr Suleyman Demirel, the last civilian prime minister and leader of the conservative Justice Party, received nine votes.

Like the social democrats, The Correct Way Party said it would submit a further list fo candidates on Monday but its chances of overcoming further vetoes seem low.

Mr Demirel and some of his supporters were banished to a radar station near the town of Lapseki on the Sea of Marmara. Ten days ago a statement from them and some RPP former deputies was circulated in London. It called on the Western world to stop supporting the military regime in Turkey and denounced the November general elections as a fraud.

There have been 412 vetoes on founders of political parties, including nine of 15 chairmen of parties. Only three, the New Democracy Party, the Populist Party and the Motherland Party — have succeeded in getting over the complicated set of institutional hurdles set up by the military. A further 740 former politicians have had their political rights restricted.

The party favoured by the generals to win the elections is the Nationalist Democracy Party of Mr Turgut Sunalp, a retired general. His party is operating with the blessing of the army and will field Mr Bulend Ulusu, the present Prime Minister, and four other ministers among its candidates.

Critics of the military say the NDP apears to stand for continued military rule in a civilian disguise and that the Populist Party of Mr Necdet Calp will function as mere token opposition. Mr Calp is a top civil servant from the Prime Minister's office.

The main question is now the army will respond to the growing popularity of the Motherland Party, Mr Turgut Ozal, the former deputy prime minister.

THE LEX COLUMN

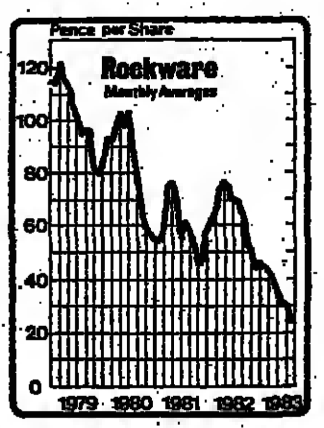
Passing round the hat

After a summer lull, those who hunger and thirst after capital are back to be satisfied. The long-awaited Rockware reconstruction finally saw the light of day yesterday and Capper-Neill should be following hard on its heels next week.

The list of potential candidates is still depressingly long. Such distinguished names as Renold, John Brown and Acrow are troubling the sleep of their bankers while Tozer, Kemsley & Millbourn, a star performer only a few years ago, is already casting around for new capital. Fresh names are still being added. Yesterday, Mining Supplies produced a set of figures so awful that it too may soon be seeking outside help.

To judge from the institutional response to the Rockware initiative, merchant banks are having a fair measure of success in their search for new capital. Not every leading institution was enamoured of the Rockware proposal but the £10m required was obtained from both new and existing shareholders without recourse to the services of Equity Capital for Industry or the recently renamed Investors in Industry.

Index fell 3.2 to 735.7



Deteriorate

Considering that Rockware's first half attributable loss was roughly equivalent to the capital being sought and that the company itself could report only that trading conditions had continued to deteriorate, that was a significant achievement, particularly as the group's bankers have secured charges over all its assets.

It may be that the institutions are encouraged by indications that industrial production has bottomed out and may even be showing a measured recovery. The fracas over Stone-Platt may have inclined them towards a more lenient view and the Bank of England has certainly been doing its utmost to apply pressure in the right places.

But, while there is some encouragement to be drawn from the recent reconstruction, the impression remains that too little is being done too late. Rockware's trading performance should improve slightly in the second half, limiting full year losses to perhaps £12m, and so long as the new convertible preference capital is treated as equity the balance sheet will be restored to some semblance of order. At the end of this year, at a rough guess, shareholders' funds of £48m might be supporting net debt of £32m.

Capacity reductions throughout the industry have brought domestic demand almost into equilibrium with supply and, if this autumn's price increases stick, Rockware should comfortably cover its financing costs in 1984. But yesterday's package still leaves the group with relatively little defence against either the introduction of new and more productive capacity or an exchange-rate-induced flood of imports. Moreover, it is open to doubt whether Rockware has the resources to exploit successfully new container technologies, even at a time when capital spending on its existing furnaces is on the wane.

Some of the reconstructions undertaken earlier in the cycle have been strikingly successful —Weir Group is a conspicuous example—but that is by no means the norm. Aurora is looking in need of a fresh capital injection while the ink is still drying on its last scheme.

Given the risks, institutions are understandably chary about providing more than is needed to keep a company pottering along. They might, however, be taking a greater initiative, together with banks and the Government, to effect sensible rationalisation of excess capacity through mergers and takeovers. Apart from anything else, this helps to diminish the knock-on effects of individual reconstructions. Having helped out Rockware, institutions would presumably find it difficult to turn down a cry for help from, say, Redfearn National Glass.

The past few weeks have seen several illustrations of industrial concentration. GKN has merged its scaffolding interests with those of Costain to provide an effective counterweight to the entrenched position of SGB. Its agreed bid for AE will strengthen the UK's overall position in the international engine parts market. IMI's sale of a non-ferrous business to McKechnie is part of the same trend, which has been carried furthest so far in the steel industry.

Very often, these transactions can be carried out without support from the institutions. GKN, for example, will need no help in purchasing AE. Elsewhere, however, book write-offs can necessitate an injection of new capital. The eventual disposal by John Brown of its turbines division will probably weaken further an already stretched balance sheet.

The buck does not, however, stop with the institutions and the banks. Mergers of the GKN/AE variety can create market concentrations which, on a strict interpretation of the Office of Fair Trading's brief, could be deemed against the public interest. It will not, for example, be lost on the glass industry that the offers by both United Glass and Rockware for Redfearn National Glass were blocked by the Monopolies Commission in 1978. In retrospect, production capacity in the industry might have been shaken out sooner if the bids had been allowed to proceed.

Custodians

It is not therefore unreasonable to expect the Department of Trade and Industry, the custodians of competition policy, to ensure that sensible rationalisation is not impeded by an over-rigid interpretation of competition rules. An obvious example is motor components, which has become sufficiently international in scope for traditional criteria to be redundant. It is hard, for example, to imagine that Armstrong or Jonas Woodhead will survive indefinitely as independent motor component producers. And, if action is to be taken, it had better be sooner rather than later.

Gentle hints will of course be provided by individual cases. OFT clearance for the GKN/AE deal would give some indication of official thinking but that is hardly sufficient. The DTI is understood currently to be examining the whole basis of British competition policy and would do well to supply some guidance on this issue.

Weather

UK TODAY

VERY warm, humid. Showers, thunder. Brighter later.

London, S.E. and Central S. England, E. Anglia, Midlands, N. Wales
Thunder, bright periods. Max. 24C (79F).

E. and N. England, Borders, Edinburgh, Dundee, S.W. Scotland, IoM, N. Ireland
Bright periods. Thundery showers later. Max. 24C (79F).

Channel Isles, S.W. England, S. Wales
Showers dying out. Max. 24C (79F).

Rest of Scotland
Dry. Sunny periods. Max. 23C (73F).

Outlook: Unsettled.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	27	81	Luxmbg.	S	28	82
Algarve	S	27	81	Madeira	F	23	73
Algiers	S	30	86	Madrid	S	26	79
Amsdm.	S	25	77	Majorca	F	29	84
Athens	C	28	82	Malaga	S	23	73
Bahrain		—	—	Malta		—	—
Barclna.	F	26	79	M'chstr.	F	26	79
Beirut		—	—	Melbne.	C	12	54
Belfast	S	24	75	Mx. C.†		—	—
Belgrd.	F	28	82	Miami†	S	26	79
Berlin	S	28	82	Milan	S	28	82
Biarritz	S	25	77	Montrl.†	S	20	68
Bmghm	S	28	82	Moscow		—	—
Blackpl	S	25	77	Munich	S	26	79
Bombay	S	30	86	Nairobi		—	—
Bordx.	F	24	75	Naples	S	29	84
Boulgn.	S	29	84	Nassau		—	—
Bristol	S	29	84	Nwcstl	S	20	68
Brussels	S	29	84	N. Delhi	[illegible]	33	91
Budpst.	F	29	84	N. York†	S	23	73
Cairo	S	31	88	Nice	S	28	82
Cardiff	S	26	79	Nicosia	S	28	82
Cape T	S	20	68	Oporto	F	20	68
Chicg.†	S	25	77	Oslo	S	21	70
Cologne	S	30	86	Paris	S	29	84
Cpnhgn.	S	23	73	Peking	S	31	88
Corfu	S	29	84	Perth	S	20	68
Dallas	R	22	72	Prague	S	26	79
Dublin	S	21	70	Reykjvk.	R	10	50
Dbrvnk.	S	28	82	Rhodes	S	27	81
Edinbgh.	S	21	70	Rio J'o†		—	—
Faro	S	23	73	Rome	S	28	82
Florence	S	31	88	Salzbrg	S	27	81
Frankft.	S	29	84	S. F'cisco†	C	17	63
Geneva	S	25	77	Singapr.	C	28	82
Gibraltar	S	28	82	S'tiago†		—	—
Glasgow	F	24	75	Stckhm.	S	22	72
G'nsey	F	21	70	Strasbg.	S	29	84
Helsinki	S	12	54	Sydney	C	13	55
H. Kong	R	27	81	Tangier	F	23	73
Innsbrk.	S	25	77	Tel Aviv	S	30	86
Invrnss	F	21	70	Tenerife	C	25	77
I.o.Man	S	21	70	Tokyo	F	36	97
Istanbul	F	26	79	Toronto†	S	20	68
Jersey	S	23	73	Tunis	S	30	86
Jo'burg	S	15	59	Valencia	S	30	86
L. Pims.	S	23	73	Venice	S	29	84
Lisbon	F	23	73	Vienna	S	28	82
Locarno	F	26	79	Warsaw	F	24	75
London	S	27	81	Zurich	F	26	79
L. Ang.†	C	21	70				

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.